

Director Sentiment Index Survey

1st Half 2026

Data Pack



Australian
Institute of
**Company
Directors**



ROY
MORGAN

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Methodology

What is the DSI?

QUANTIFYING EXPERIENCE & OPINION

- The Director Sentiment Index (DSI) represents the breadth of Australian Institute of Company Directors (AICD) member opinions on a range of issues covering the Australian and global economies, government policy and governance regulations.
- The DSI has tracked business and economic attitudes for the past 15 years*, indicating shifts in business sentiment, and delivering robust and context-driven insights and trends.

DSI SURVEY REPORTS

- The Insights Report includes a summary of analysis of key questions from the survey, while the Data Pack includes further analysis of all survey questions.

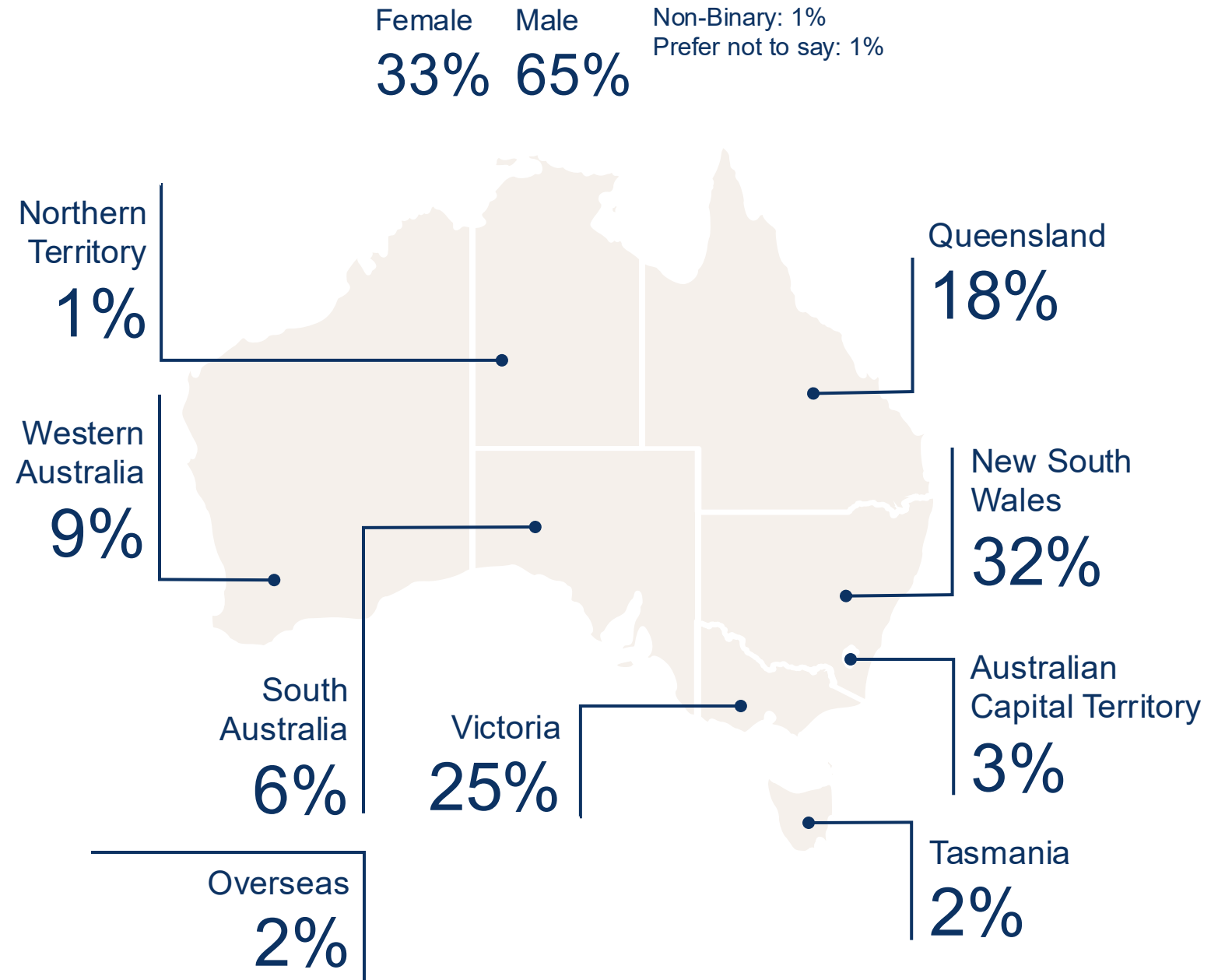
DSI SCORE CALCULATION

- The DSI Scores are calculated using a formula combining response data with question weighting to produce a score indicating whether sentiment is in positive or negative territory, and by how much. This formula is applied to determine the overall DSI score as well as scores for separate categories: Economic Outlook, Business Conditions, Micro/Structural Policy Settings, Macro Policy Settings and Directorship Conditions

* DSI updates in early 2021 limit direct comparability with previous results.



- The 1H 2026 DSI survey was conducted online with a sample of 828 directors across Australia between 20th February and 10th March 2026.
- The findings reflect directors' perspectives following the interest rate increase announced on the 3rd of Feb. Importantly, the findings do not fully represent the conflict in the Middle East and subsequent global impacts due to the conflicts being initiated at the end of February.
- Respondents were AICD members with current directorships.
- Survey responses were weighted by gender to reflect the AICD member profile when analysing results.



Survey topics

DSI TOPICS

Economic Outlook

- The current condition of the Federal and State economies and the 12-month forecast
- Current international economic assessment as well as 12-month outlook

Business Conditions

- What is it like doing business in the different states and territories and across industries?
- Which are the top economic challenges Australian businesses are up against?

Micro / Structural Policy Settings

- Do state and Federal governments understand business needs when designing policy and legislation and do businesses trust them?

Macro Policy Conditions

- Level of satisfaction with tax, government spending and support
- How do fiscal settings and monetary policy, as well as access to credit, impact business?

Directorship Conditions

- How well are governance regulations balancing directors' needs with their obligations?

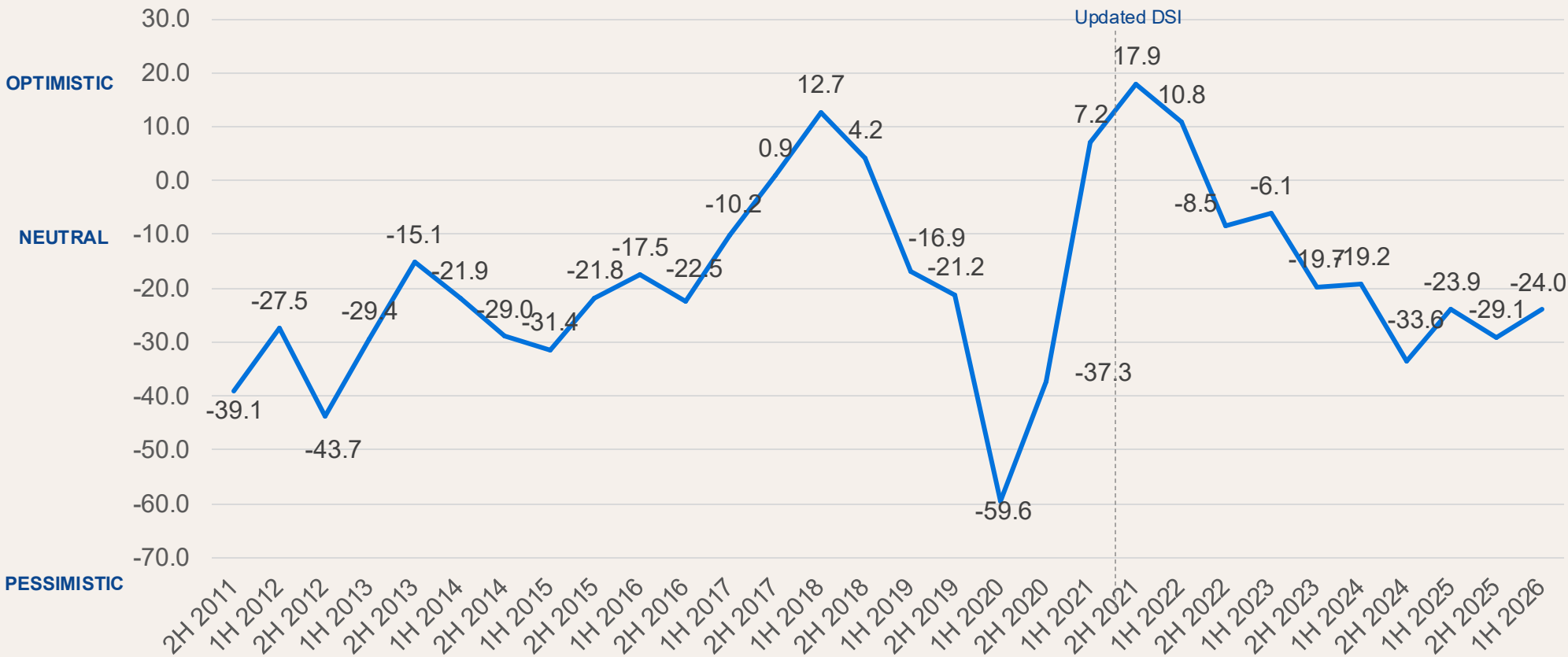
TOPICAL QUESTIONS

- Short and long term issues the Federal government should address.
- What keeps directors awake at night and what's impacting board risk appetites.
- Whether the RBA's cautious approach to lowering interest rates was appropriate, whether RBA lowering interest rates would positively impact the economy, whether the recent rise in interest rates will be detrimental to my business.
- Areas where Australian boards have been evolving skills and experience.
- Flexible work plans for the next 12 months.
- Impact of AI tools on performance and productivity, the pace of digital and AI change in organisations.
- AI-related risks and material impacts of AI in workforce size, composition, trust, engagement and skill requirements.
- Opinions on Australia's current level of skilled migration for productivity.
- Effectiveness of various factors in improving Australia's productivity, areas of focus for any deregulation agenda for improving national productivity.
- The most significant barriers to increasing business investment in Australia.
- Impact of recent state of the global economy on company investment plans.
- Most significant ways the current Trump administration's use of economic diplomacy will impact the Australian economy over the next 12 months.

Director Sentiment Index

The Director Sentiment Index (DSI) improved slightly, driven by gains in economic outlook and business conditions, but it remains in negative territory, indicating that overall director confidence remains subdued amid ongoing economic and geopolitical uncertainties

Director Sentiment Index



DSI CATEGORY SCORES

Change from 2H 2025

Economic Outlook (+14) ↑

• Increased from -15 to -1.

Business Conditions (+9) ↑

• Increased from -28 to -19.

Micro/Structural Policy Settings (-1) ↓

• Decreased from -46 to -47.

Macro Policy Conditions (+0)

• No change from -48.

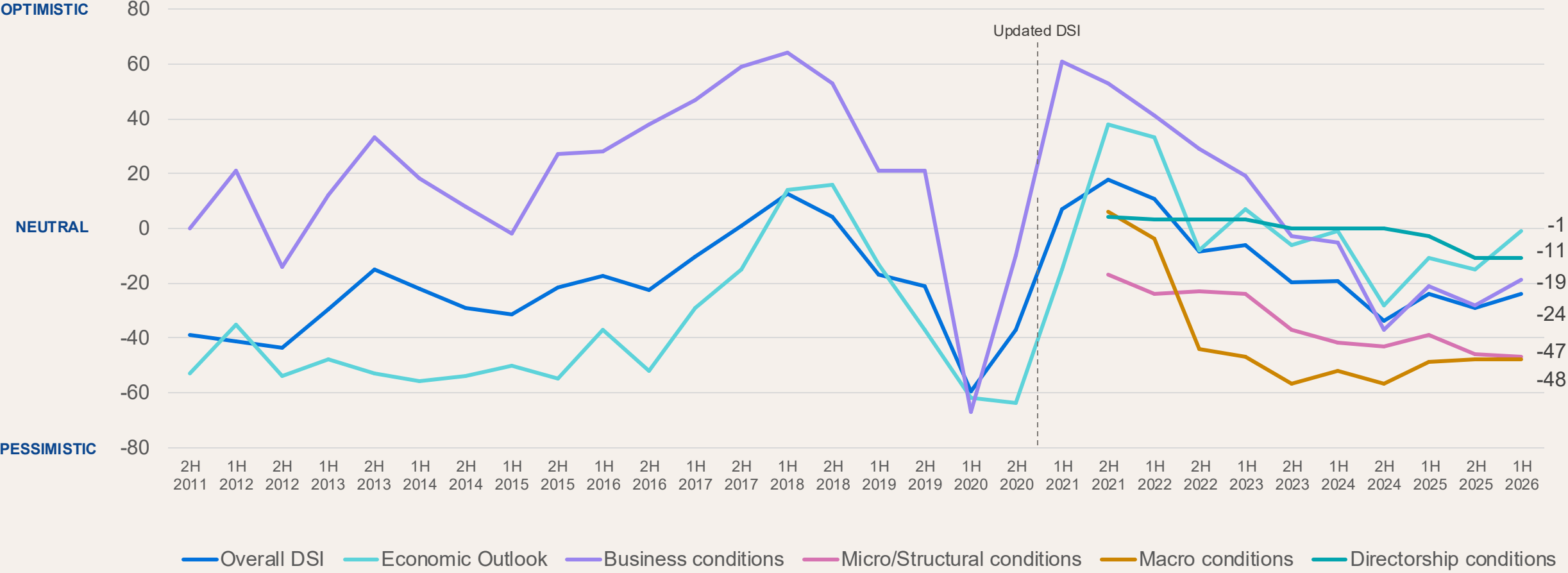
Directorship Conditions (+0)

• No change from -11.

Source: Roy Morgan AICD Director Sentiment Index Survey 1st Half 2026. Base: AICD Directors 18+, n= 828.
 Note: Revised index from 2nd Half 2021 onwards is not directly comparable with previous index scores.
 The survey was conducted from 20th February until 10th March. Concerns surrounding the conflict in the Middle East and subsequent impacts may not be wholly captured.

Directors report negative sentiment across all categories, with both macro and micro conditions remaining deeply challenging

Director Sentiment Index and category scores



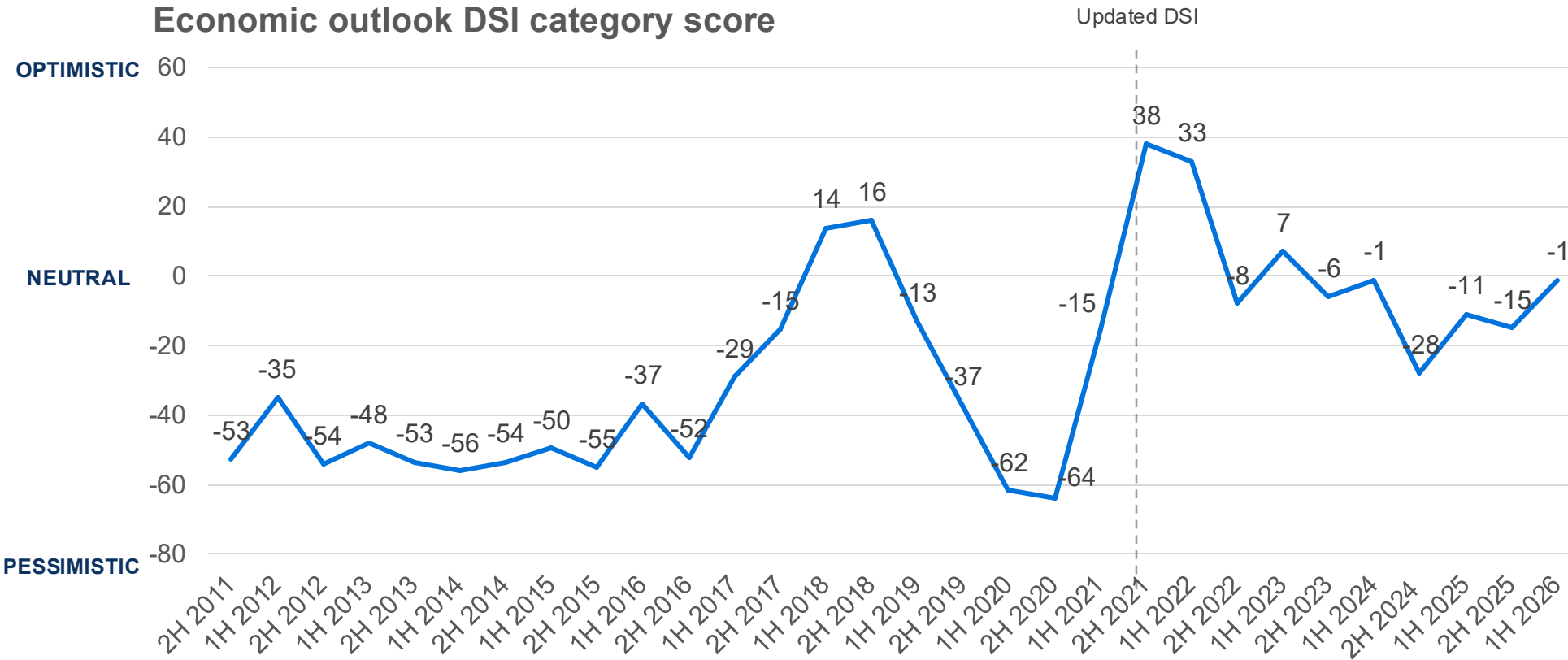
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 The survey was conducted from 20th February until 10th March. Concerns surrounding the conflict in the Middle East and subsequent impacts may not be wholly captured.

Economic Outlook

Economic outlook rose 14 points in the first half of 2026. Sentiment remains slightly negative at -1

The sentiment could deteriorate in response to the ongoing conflict in the Middle East.

Economic outlook DSI category score



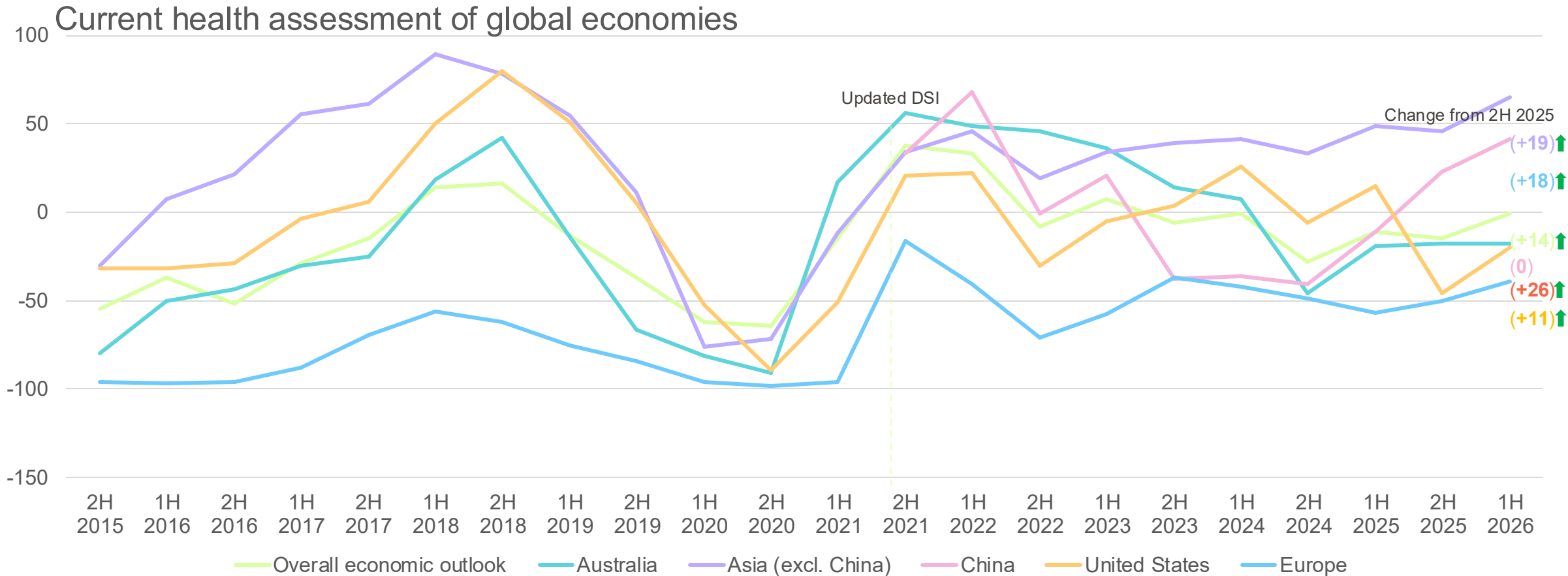
ECONOMIC OUTLOOK DSI CATEGORY OVERVIEW

The Economic Outlook DSI category measures current and future (next 12 months) health assessments of each of the following major economies:

- Australia
- Director states and territories
- Asia (excl. China)
- China
- Europe
- United States

Source: Roy Morgan AICD Director Sentiment Index Survey 1st Half 2026. Base: AICD Directors 18+, n= 828.
 E8. What is your assessment of the current health of the following economies...? (Very weak, Somewhat weak, Neither weak nor strong, Somewhat Strong, Very strong)
 E9. Over the next 12 months, what would be your assessment of the health of the following economies...? (Very weak, Somewhat weak, Neither weak nor strong, Somewhat Strong, Very strong) From 2nd half 2021 Asia excludes China.

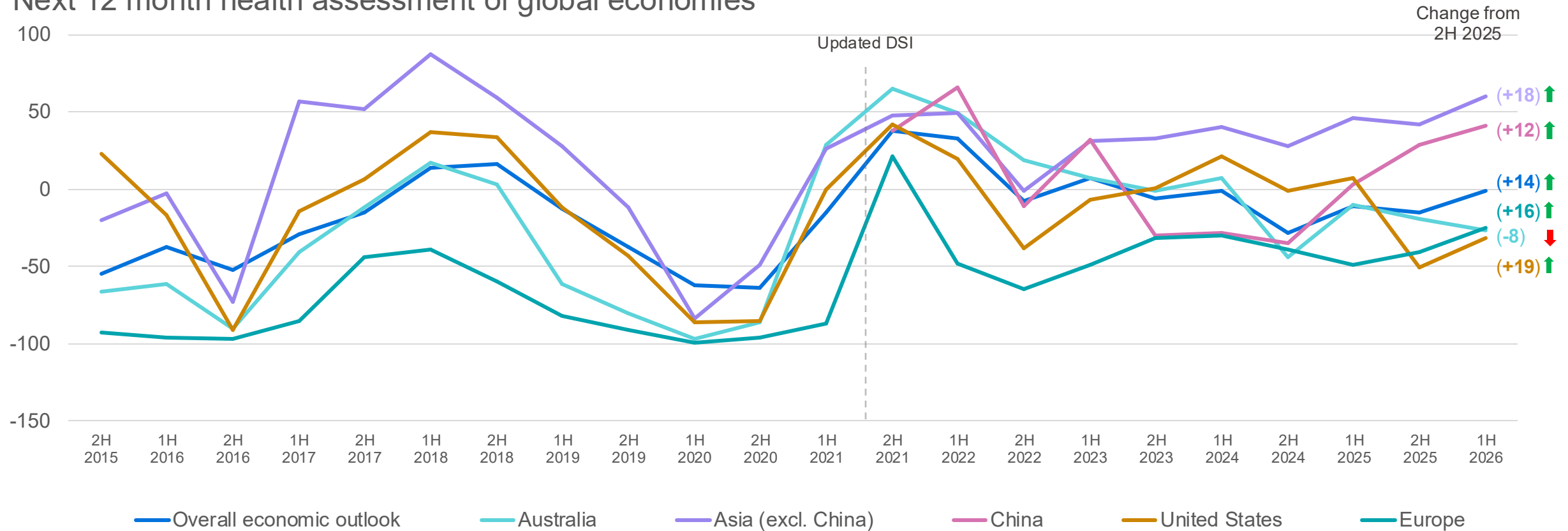
Perceptions of current global economic health improved across the board except for Australia. Sentiment toward European, American and Australian economies remains negative.



Source: Roy Morgan AICD Director Sentiment Index Survey 1st Half 2026. Base: AICD Directors 18+, n= 828.
 E8. What is your assessment of the current health of the following economies...? (Very weak, Somewhat weak, Neither weak nor strong, Somewhat strong, Very strong). From 2nd Half 2021 Asia excludes China.
 Note: Changes to question or response options in 2nd Half 2021 may impact comparability with previous results. China independently measured from Asia from 2H2021 onwards.

Economic health for most global markets is anticipated to improve over the next 12 months, with Australia standing out as the only economy anticipated to deteriorate in the year ahead

Next 12 month health assessment of global economies

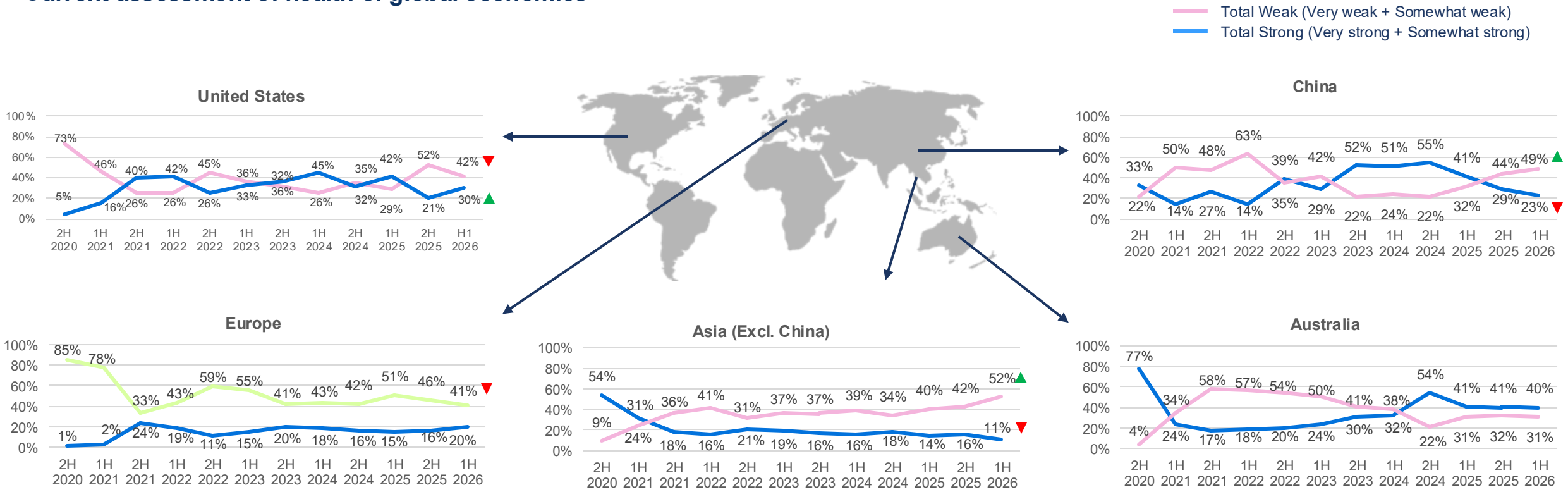


Source: Roy Morgan AICD Director Sentiment Index Survey 1st Half 2026. Base: AICD Directors 18+, n= 828.
 E9. Over the next 12 months, what would be your assessment of the health of the following economies...?(Very weak, Somewhat weak, Neither weak nor strong, Somewhat strong, Very strong)From 2nd Half 2021 Asia excludes China.
 Note: Changes to question or response options in 2nd Half 2021 may impact comparability with previous results. China independently measured from Asia from 2H2021 onwards.

Perceived current economic health in China, and Asia more broadly, continues to trend upward, while Australia remains unchanged

Economies in Australia, Europe and the United States are still widely perceived as relatively weak, though negative perceptions have eased significantly for Europe and the United States compared to 2H 2025.

Current assessment of health of global economies



▲ ▼ Arrows represent significant increase or decrease at 95% or 99% confidence level since 2nd Half 2025 survey.

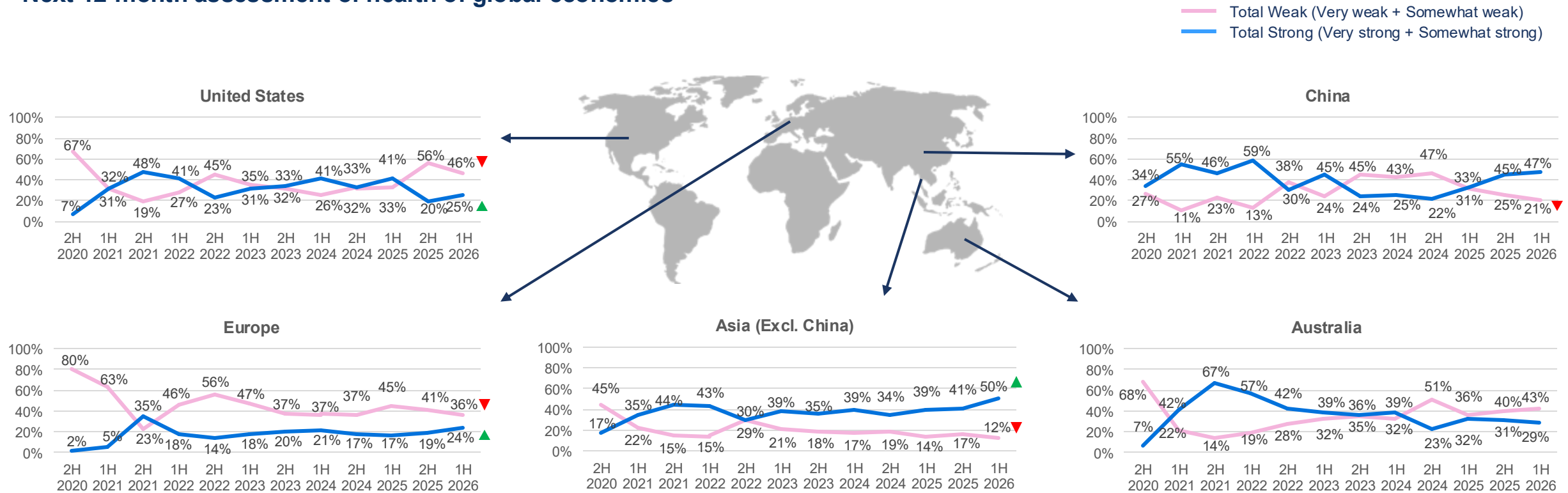
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Expectations of economic health over the next 12 months reflect perceptions of current performance across all markets

Both currently and looking ahead, China and the rest of Asia are seen as the economies most likely to remain strong. More directors now view Australia's outlook as weak, with over four in ten expressing weak sentiment this wave.

Next 12-month assessment of health of global economies



▲ ▼ Arrows represent significant increase or decrease at 95% or 99% confidence level since 2nd Half 2025 survey.

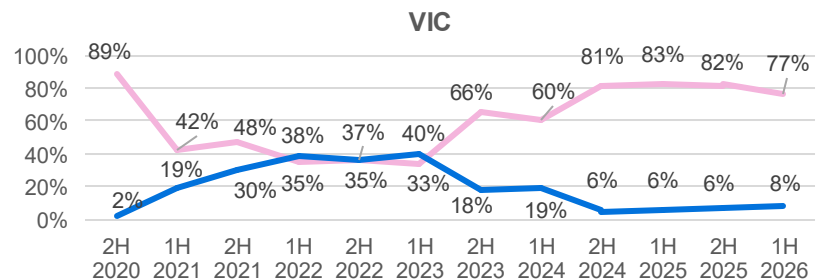
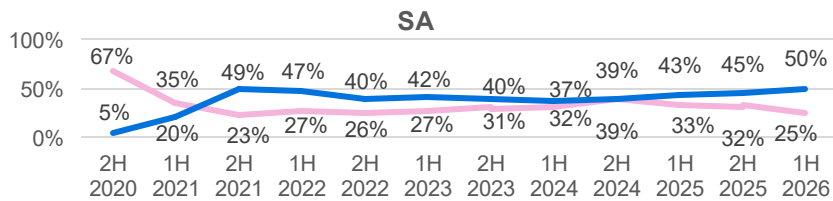
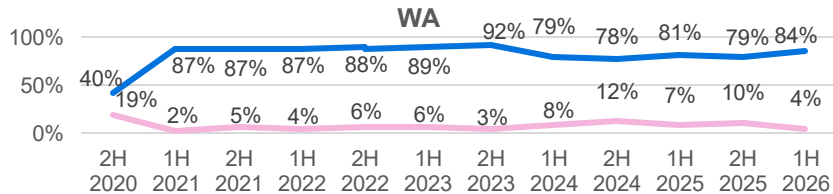
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The most significant change occurred in Queensland, where positive perceptions of current economic health in the state now outweigh negative perceptions – 46% of directors perceive Queensland economy as strong

Western Australia continues to be viewed as the strongest performing economy, while Victoria remains the weakest; the number of directors reporting weak economic performance still far outweighs positive evaluations in Victoria.

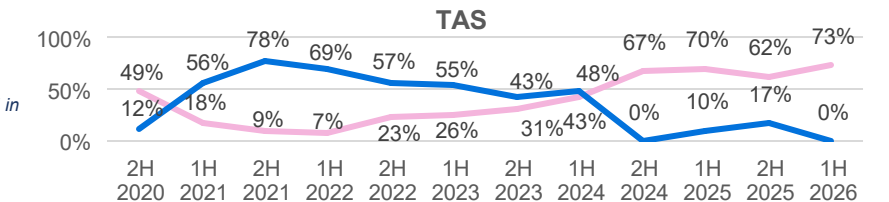
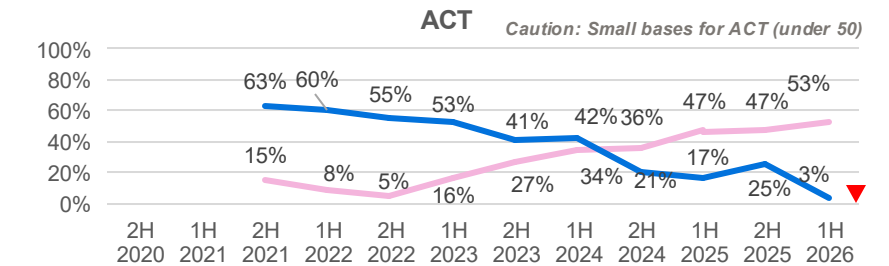
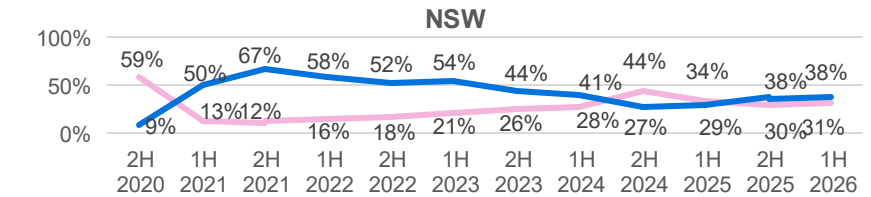
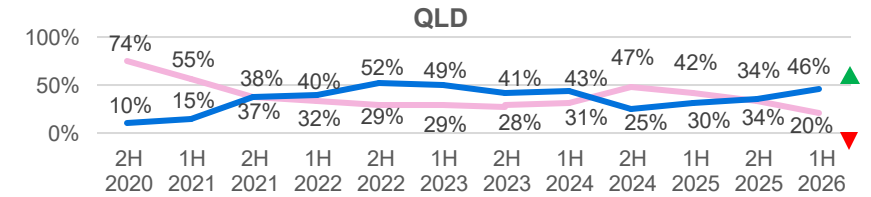
Current assessment of health of your state economy



— Total Weak (Very weak + Somewhat weak)
 — Total Strong (Very strong + Somewhat strong)

Note: Neutral (Neither strong nor weak, Neither Satisfied nor Dissatisfied, Neither Agree nor Disagree etc.) was a response option in the survey but it is not displayed in these charts, hence the Totals do not add to 100%.

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Source: Roy Morgan AICD Director Sentiment Index Survey 1st Half 2026. Base: AICD Directors 18+, n= 828.
 E8.2 What is your assessment of the current health of the economy in the state where your primary directorship is?
 NSW n=263, VIC n=211, QLD n=150, SA n=51, WA n=78, TAS n=18*, ACT n=28*, NT n=9*. *Indicates small base <50.
 NT not shown due to low base. ACT Data before 2H 2021 is unavailable.

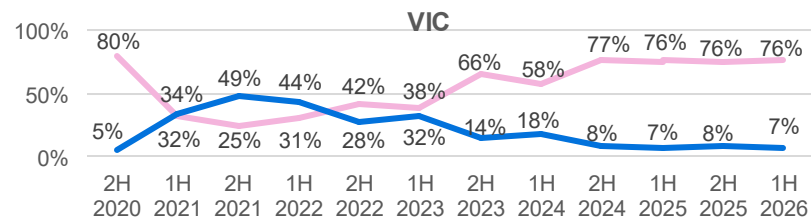
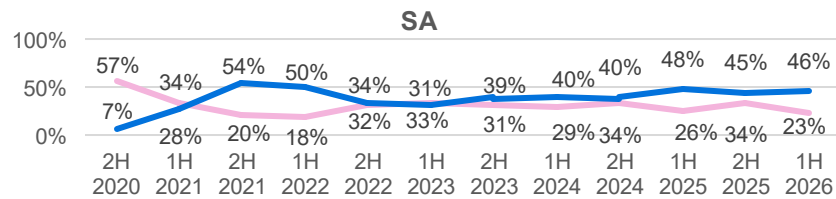
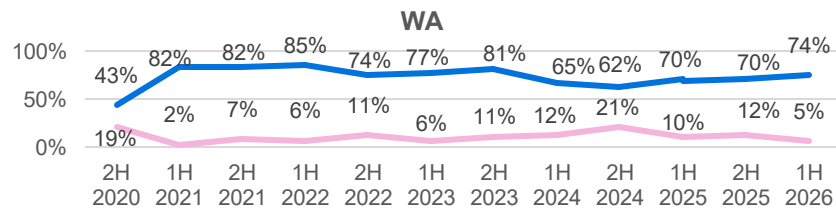
Caution: Small bases for TAS (under 50)

Expectations for state economies over the next 12 months remains largely unchanged and consistent with evaluations of current performance

Queensland shows a significant decrease in the number of directors anticipating weak economic performance.

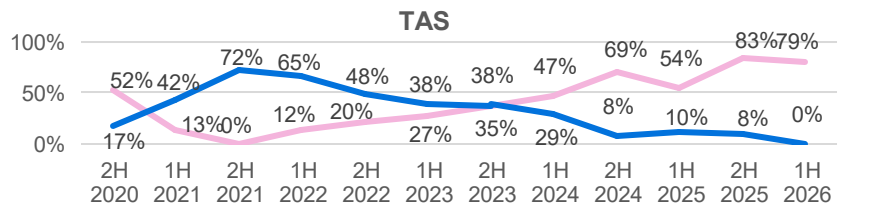
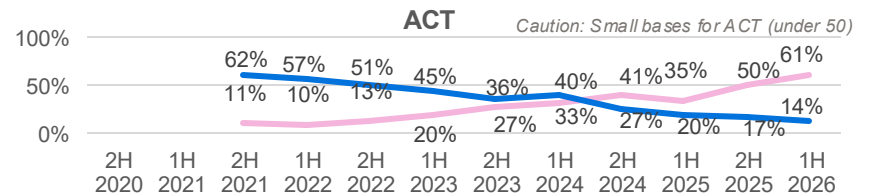
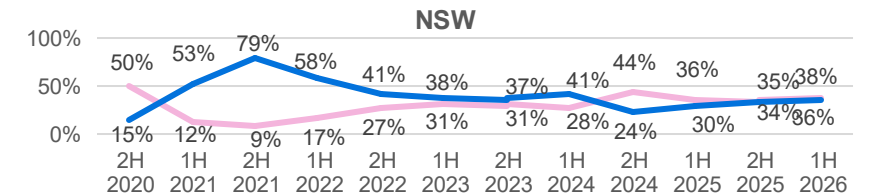
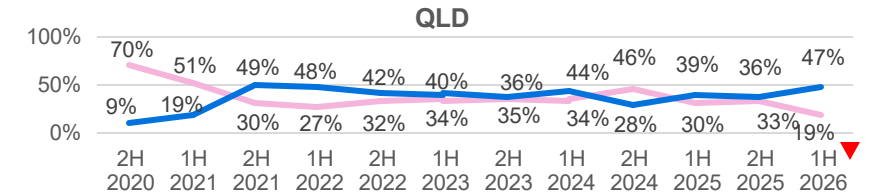
Western Australia continues to have the strongest outlook, with 74% expecting strength, while Victoria remains the weakest, with 76% expecting it to be weak.

Next 12 month assessment of health of your state economy



— Total Weak (Very weak + Somewhat weak)
 — Total Strong (Very strong + Somewhat strong)

Note: Neutral (Neither strong nor weak, Neither Satisfied nor Dissatisfied, Neither Agree nor Disagree etc.) was a response option in the survey but it is not displayed in these charts, hence the Totals do not add to 100%.



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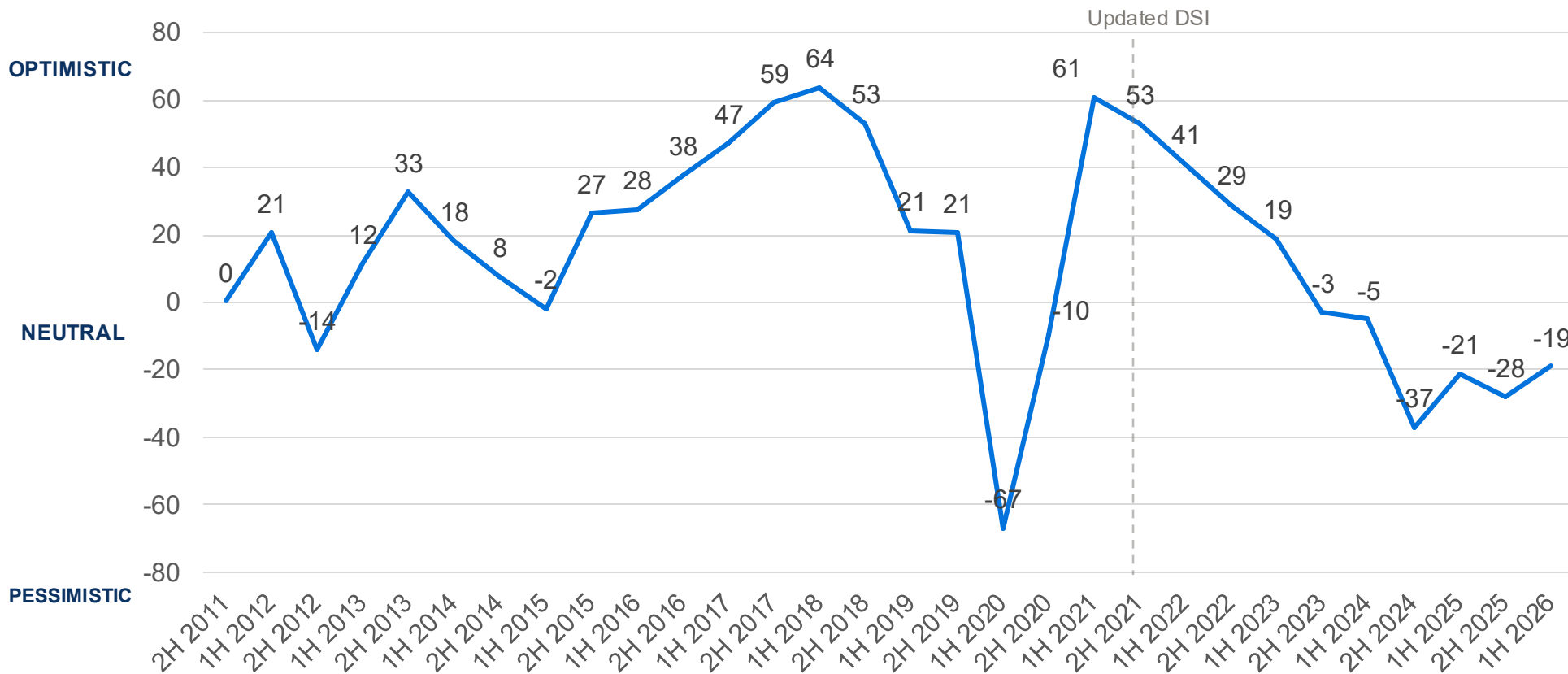
Caution: Small bases for TAS (under 50)

Source: Roy Morgan AICD Director Sentiment Index Survey 1st Half 2026. Base: AICD Directors 18+, n= 828. E9.2. Over the next 12 months, what would be your assessment of the health of the economy in the state where your primary directorship is based? NSW n=263, VIC n=211, QLD n=150, SA n=51, WA n=78, TAS n=18*, ACT n=28*, NT n=9*. * Indicates small base <50. NT not shown due to low base. ACT Data before 2H 2021 is unavailable.

Business Conditions

Perceptions of Australian business conditions improved, though sentiment remains pessimistic

Business conditions DSI category score



BUSINESS CONDITIONS DSI CATEGORY OVERVIEW

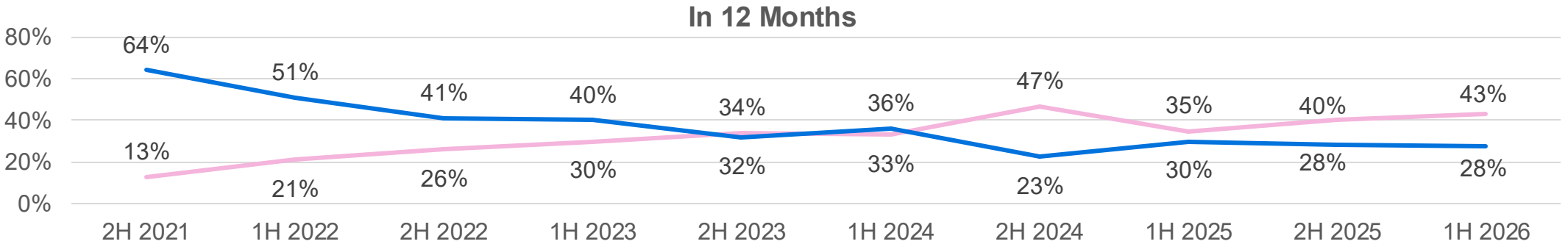
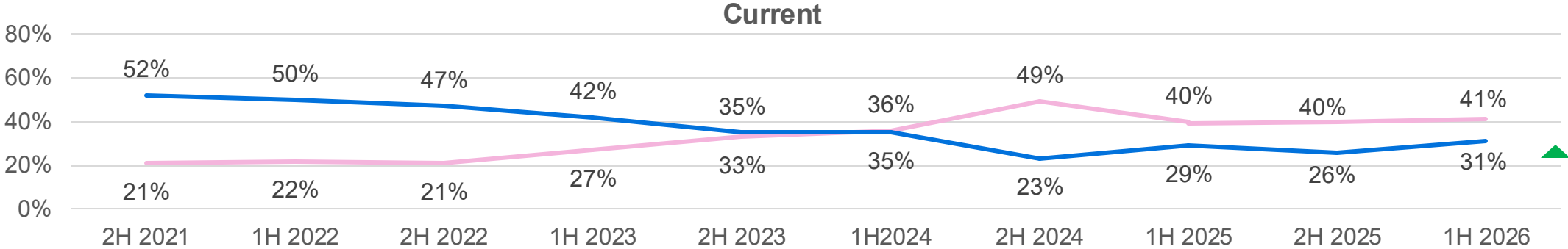
- The Business Conditions DSI category includes current and future (next 12 months) assessments of business conditions in Australia, director’s state/territory and sector of primary directorship.

Source: Roy Morgan AICD Director Sentiment Index Survey 1st Half 2026. Base: AICD Directors 18+, n= 828.
 B10.1. What is your assessment of current business conditions in Australia? B10.2. What is your assessment of current business conditions in the state where your primary directorship is based? B10.3. What is your assessment of current business conditions in the sector your primary directorship is in? B11.1 What is your assessment of business conditions over the next 12 months in Australia? B11.2 What is your assessment of business conditions over the next 12 months in the state where your primary directorship is based? B11.3 What is your assessment of business conditions over the next 12 months in the sector your primary directorship is in?

Even prior to the Middle East conflict a growing number of directors were expecting business conditions in Australia to weaken over the next 12 months

Assessment of Australian business conditions

— Total Weak (Very weak + Somewhat weak)
— Total Strong (Very strong + Somewhat strong)



▲▼ Arrows represent significant increase or decrease at 95% or 99% confidence level since 2nd Half 2025 survey.

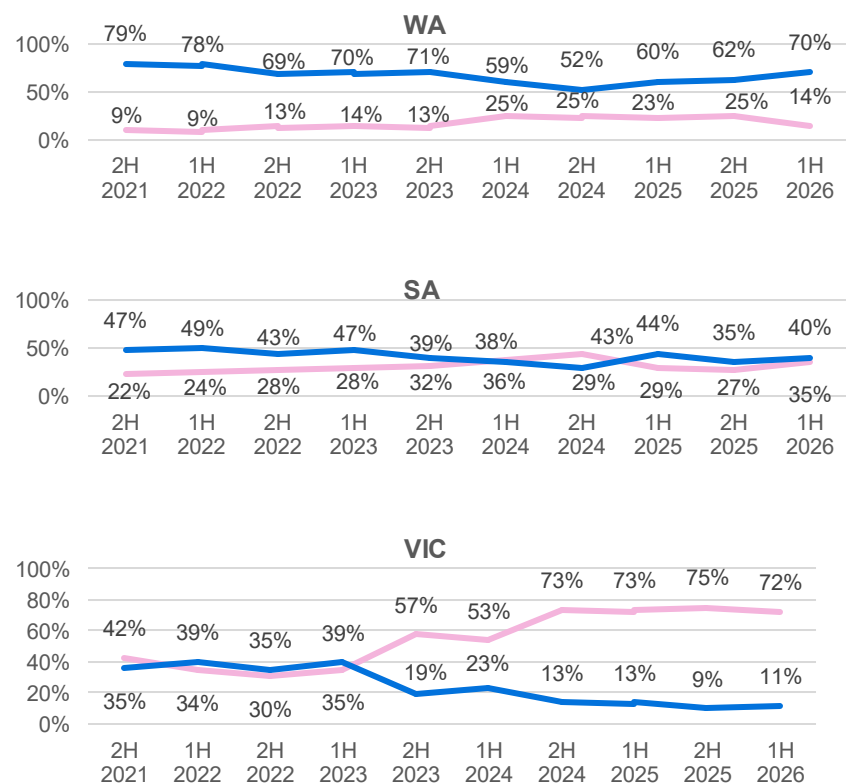
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Source: Roy Morgan AICD Director Sentiment Index Survey 1st Half 2026. Base: AICD Directors 18+, n= 828.
 B10.1. What is your assessment of current business conditions in Australia?
 B11.1 What is your assessment of business conditions over the next 12 months in Australia?

In Queensland, positive perceptions of business conditions now outweigh negative by 15%, the highest they have been since 1H 2023

Western Australia maintains its position as the state with the highest number of directors reporting strong business conditions, increasing by a further 8% compared to 2H 2025.

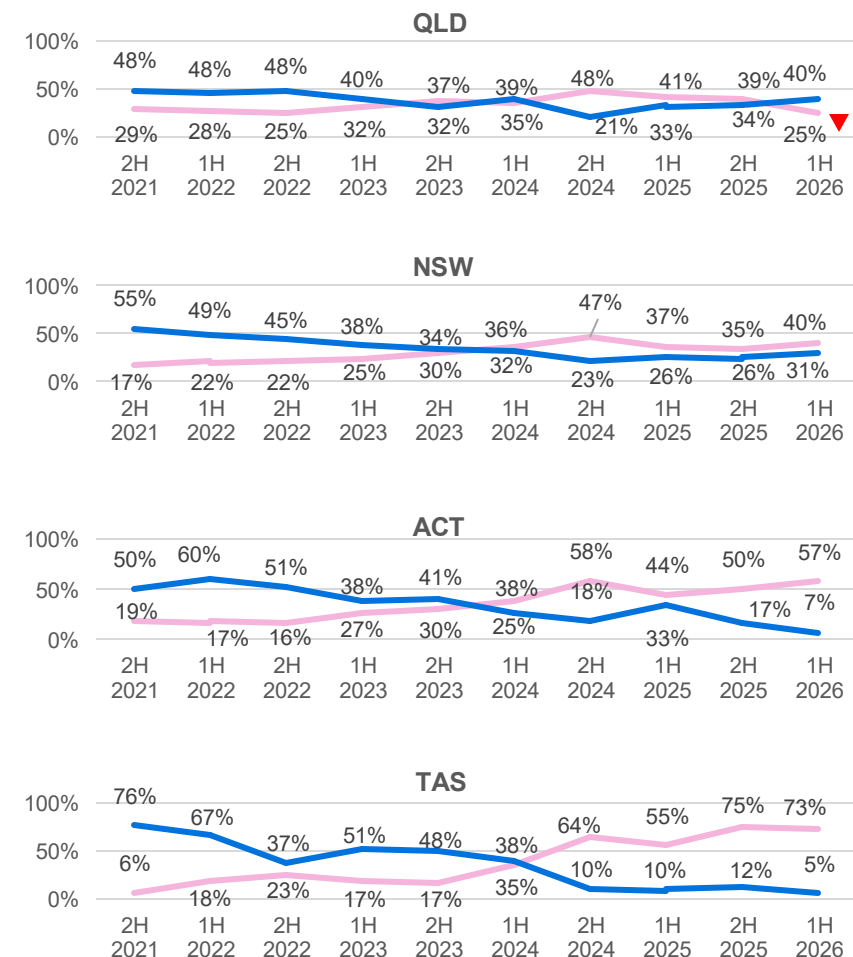
Current assessment of business conditions in the state of directorship



— Total Weak (Very weak + Somewhat weak)
— Total Strong (Very strong + Somewhat strong)

Note: Neutral (Neither strong nor weak, Neither Satisfied nor Dissatisfied, Neither Agree nor Disagree etc.) was a response option in the survey but it is not displayed in these charts, hence the Totals do not add to 100%.

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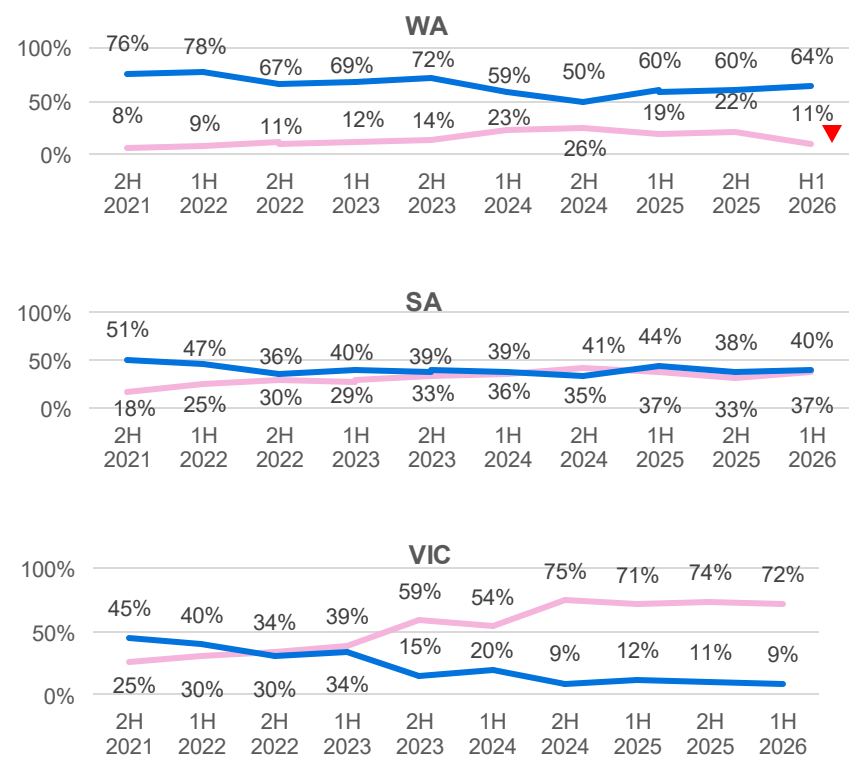
Caution: Small bases for TAS (under 50)

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In line with current business conditions, Queensland has seen a decline in the number of directors anticipating a weak outlook alongside an increase in those expecting a strong outlook

Western Australian directors continue to have the strongest outlook while Victoria is the weakest; 72% of directors describe the outlook for Victoria as weak.

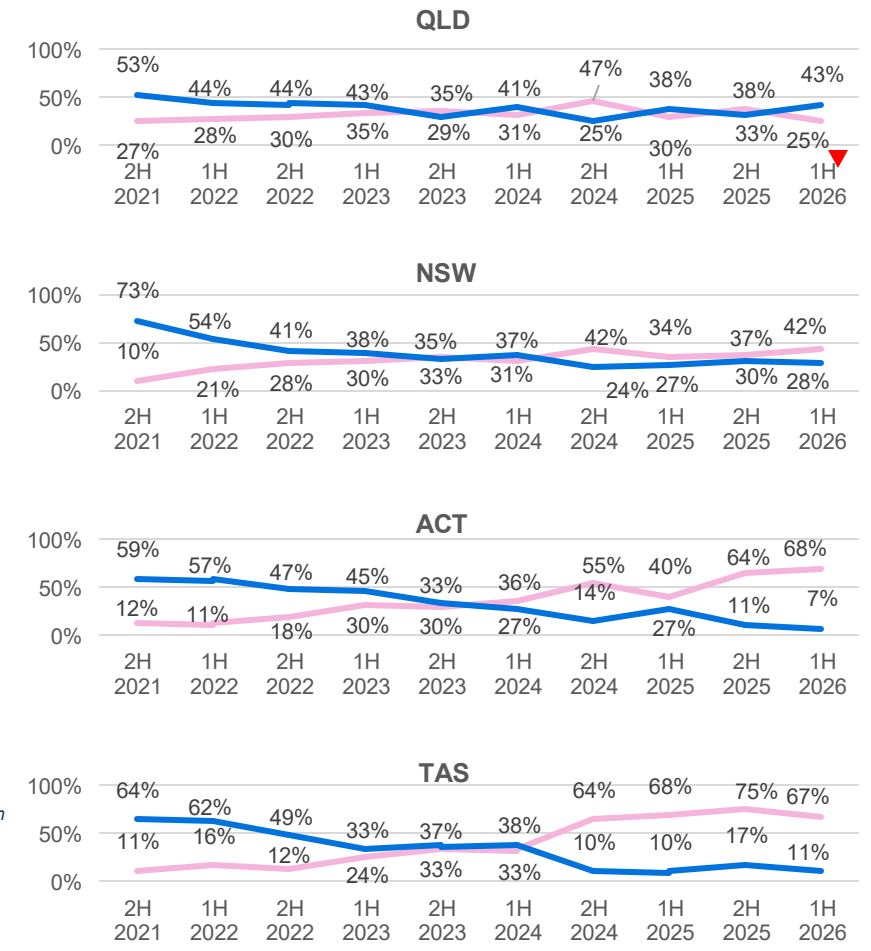
Next 12 month assessment of business conditions in the state of directorship



— Total Weak (Very weak + Somewhat weak)
— Total Strong (Very strong + Somewhat strong)

Note: Neutral (Neither strong nor weak, Neither Satisfied nor Dissatisfied, Neither Agree nor Disagree etc.) was a response option in the survey but it is not displayed in these charts, hence the Totals do not add to 100%.

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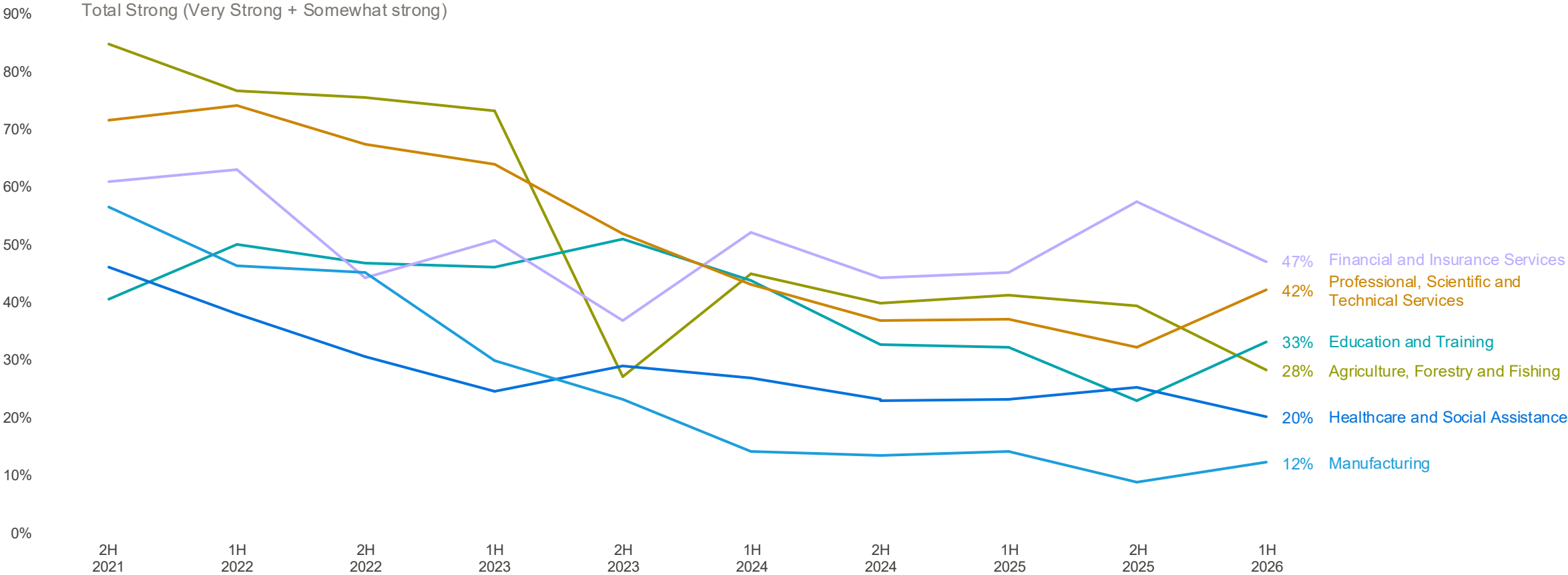
Caution: Small bases for TAS (under 50)

Source: Roy Morgan AICD Director Sentiment Index Survey 1st Half 2026. Base: AICD Directors 18+, n= 828. B11.2 What is your assessment of business conditions over the next 12 months in the state where your primary directorship is based? NSW n=263, VIC n=211, QLD n=150, SA n=51, WA n=78, TAS n=18*, ACT n=28*, NT n=9*. * Indicates small base <50. NT not shown due to low base.

Perceptions of current business conditions across Education, Professional Services, and Manufacturing improved, reversing their previous decline

The number of directors reporting strong conditions in the Financial Services, Agriculture, and Healthcare sectors declined.

Current business conditions by business sector



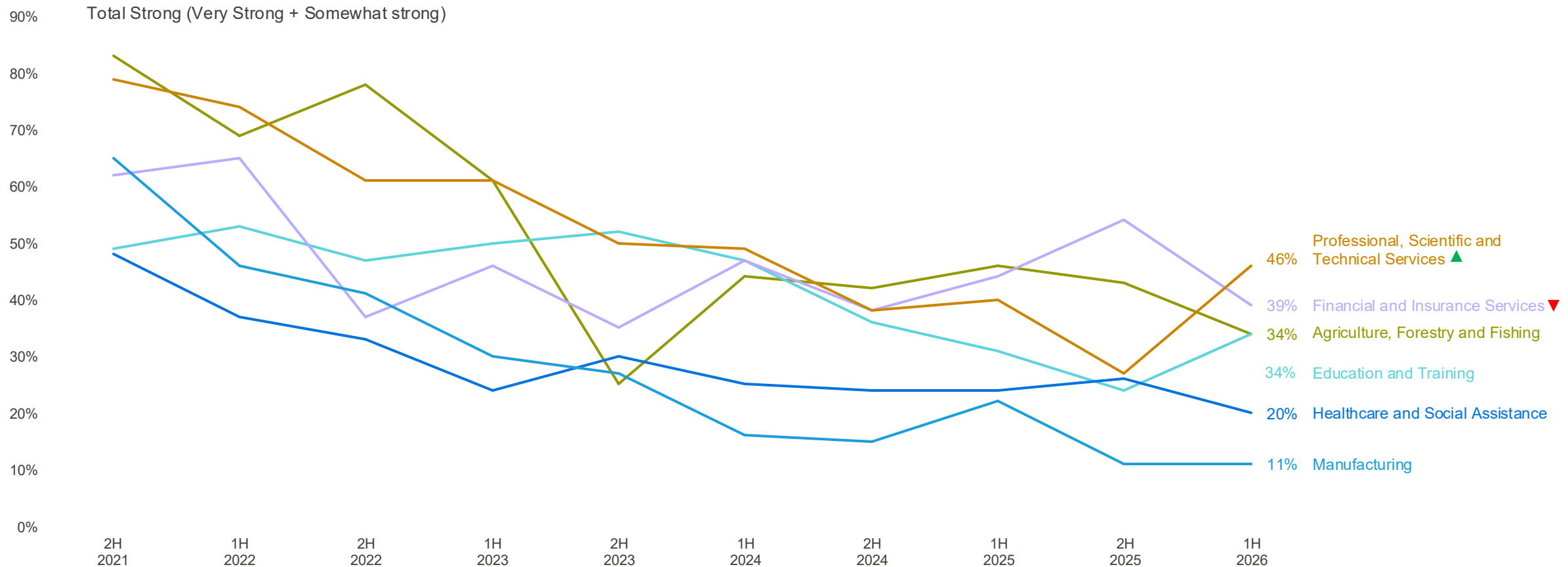
Source: Roy Morgan AICD Director Sentiment Index Survey 1st Half 2026. Base: AICD Directors 18+, n= 828.
 B10.3 What is your assessment of current business conditions in (the sector your primary directorship is in)? Only displaying sectors with n=30 or more sample size in 1st Half 2026.
 Agriculture n=35, Education n=82, Financial n=83, Healthcare n=185, Manufacturing n=35, Professional Services n=107

▲ ▼ Arrows represent significant increase or decrease at 95% or 99% confidence level since 2nd Half 2025 survey.

Expectations of strong business conditions improved significantly for Professional, Scientific and Technical Services

In contrast, positive expectations for directors working in Financial and Insurance Services declined significantly after being perceived as the strongest sector in terms of outlook in the 2nd half of 2025.

Next 12 month business conditions by business sector



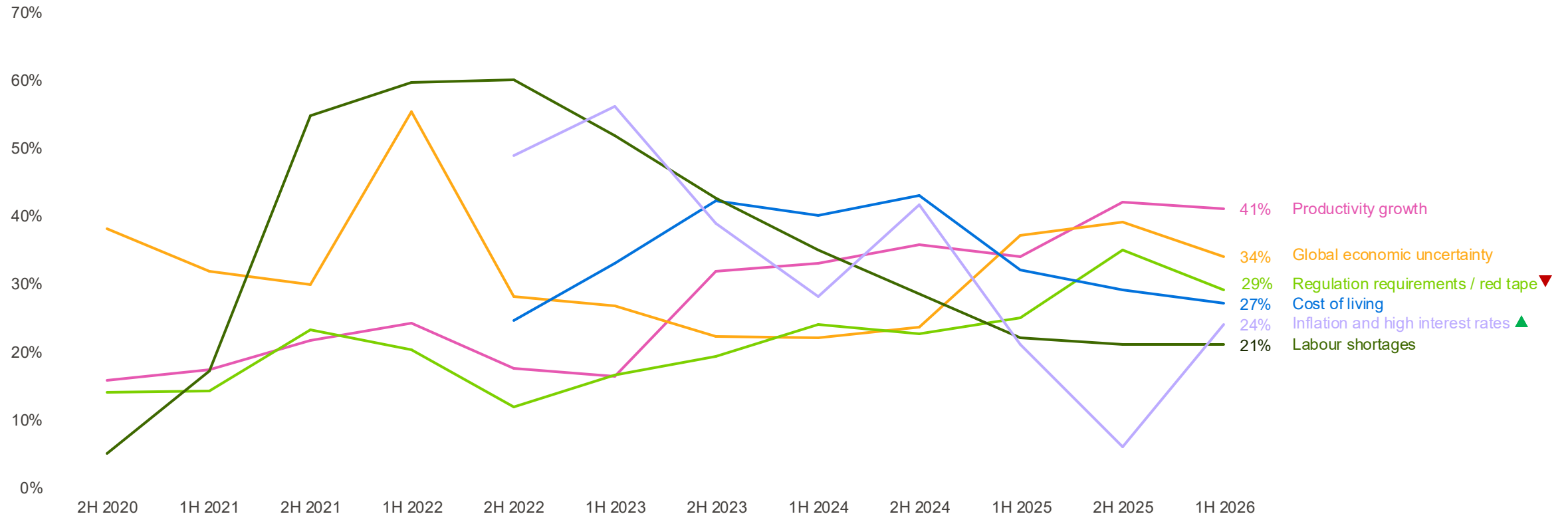
Source: Roy Morgan AICD Director Sentiment Index Survey 1st Half 2026 Base: AICD Directors 18+, n= 828.
 B11.3 What is your assessment of business conditions over the next 12 months in [the sector your primary directorship is in]? Only displaying sectors with n=30 or more sample size in 1st Half 2026.
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▲ ▼ Arrows represent significant increase or decrease at 95% or 99% confidence level since 2nd Half 2025 survey.

Productivity growth, global economic uncertainty and regulation requirements/red tape are the top three economic challenges facing Australian businesses

Concerns over inflation and rising interest rates increased dramatically from 6% in 2H 2025 to 24% in 1H 2026, reflecting the impact of RBA monetary tightening.

Top economic challenges facing Australian businesses (Total Mentions)

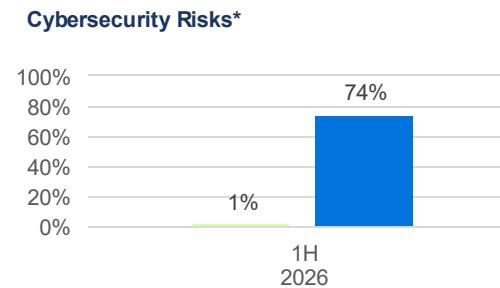
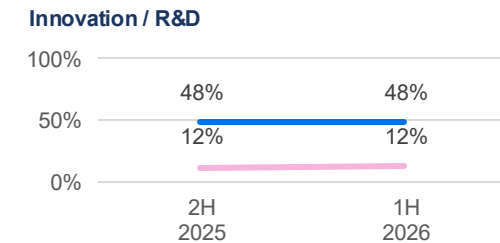
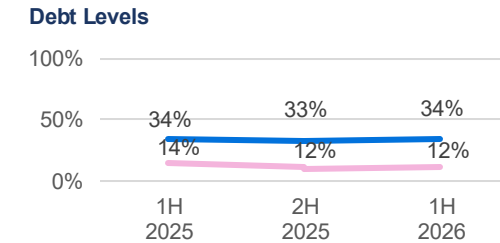
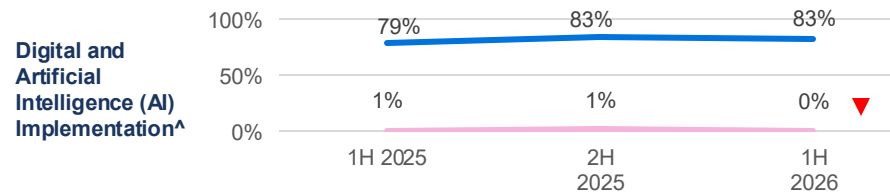
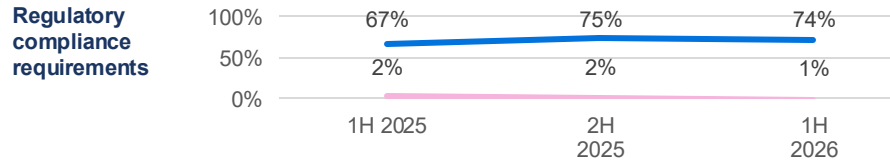
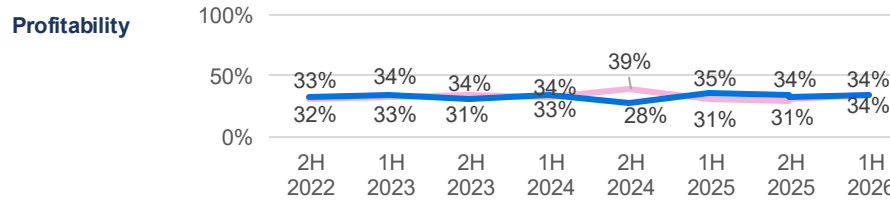
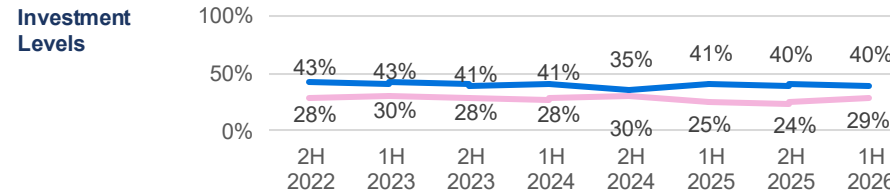
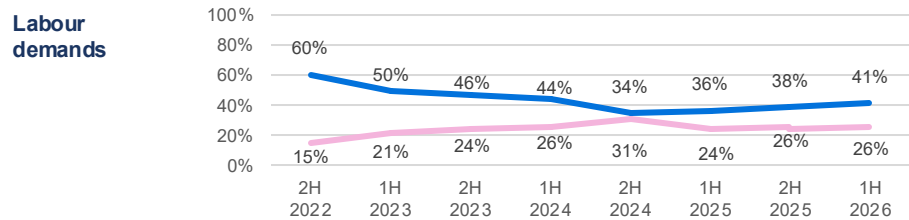
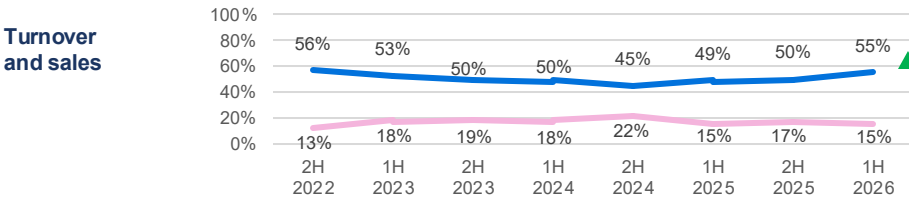
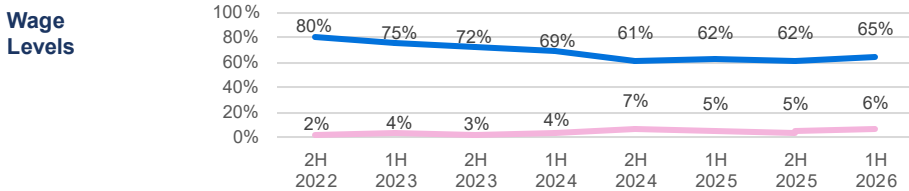
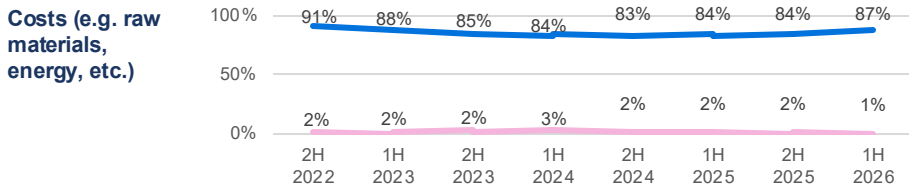


▲ ▼ Arrows represent significant increase or decrease at 95% or 99% confidence level since 2nd Half 2025 survey.

Source: Roy Morgan AICD Director Sentiment Index Survey 1st Half 2026. Base: AICD Directors 18+, n= 828.
 E6. What are the top 3 economic challenges currently facing Australian businesses? Percentage of respondents that nominated issue in the top three economic challenges.
 Note: Only displaying prominent issues with mentions > 20% in 1H 2026. Amendments to the list may impact comparability with previous results.

Costs, digital and AI implementation, cybersecurity risks and regulatory compliance are the areas most expected to increase in the next 12 months

Are these conditions expected to increase or decrease over next 12 months within your business?



— Total Decrease (Strongly Decrease + Slightly Decrease)
 — Total Increase (Strongly Increase + Slightly Increase)

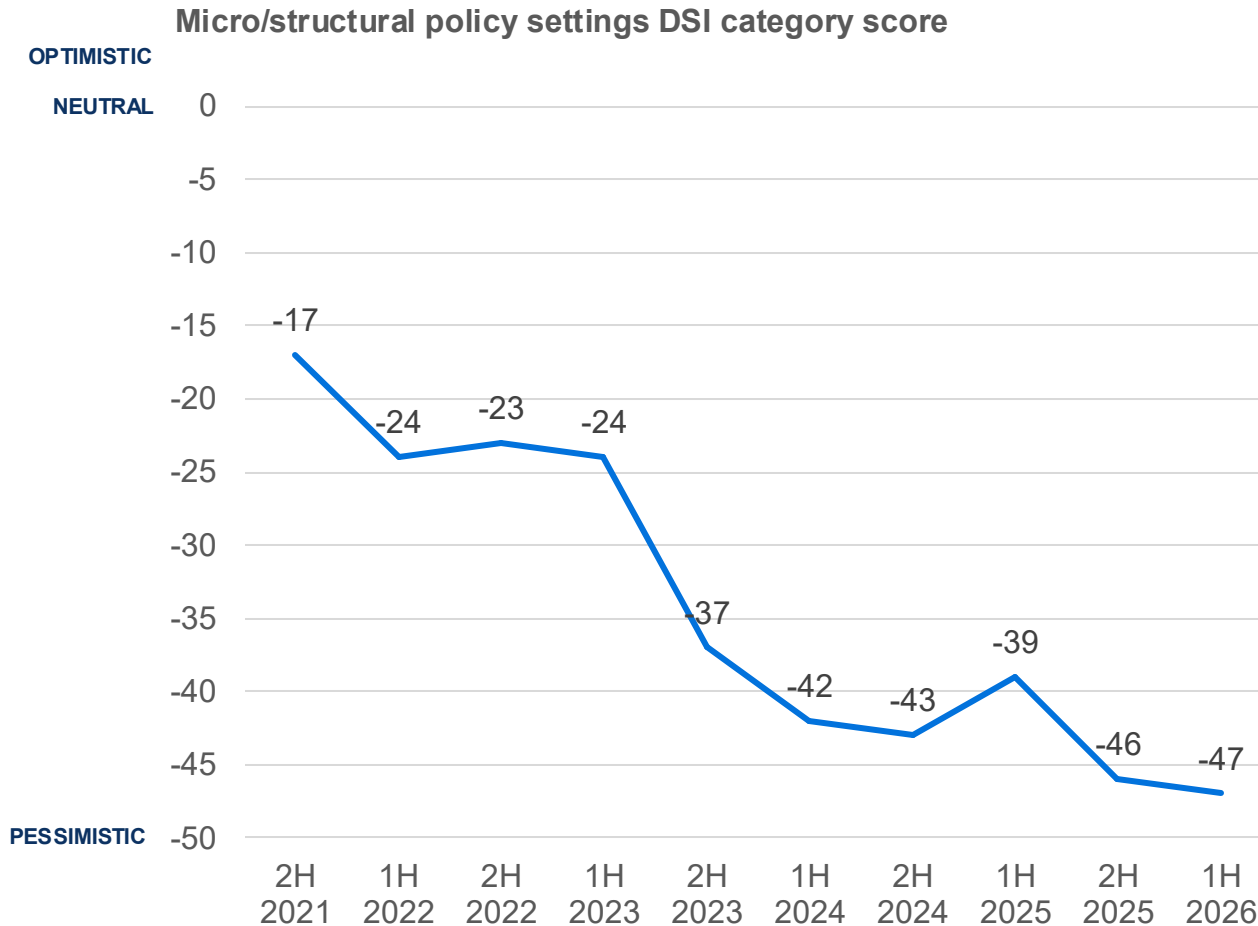
▲ ▼ Arrows represent significant increase or decrease at 95% or 99% confidence level since 2nd Half 2025 survey.

Note: Neutral (Neither strong nor weak, Neither Satisfied nor Dissatisfied, Neither Agree nor Disagree etc.) was a response option in the survey but it is not displayed in these charts, hence the Totals do not add to 100%.

Source: Roy Morgan AI/CD Director Sentiment Index Survey 1st Half 2026. Base: AI/CD Directors 18+, n= 828. B4. To what extent, if any, do you expect the following conditions to change over the next 12 months within your business? ^ Changed in 1H 2026 from "Digital and Artificial Intelligence (AI) Focus"

Micro/ Structural Policy Settings

Directors' satisfaction with micro/structural policy settings continues to fall



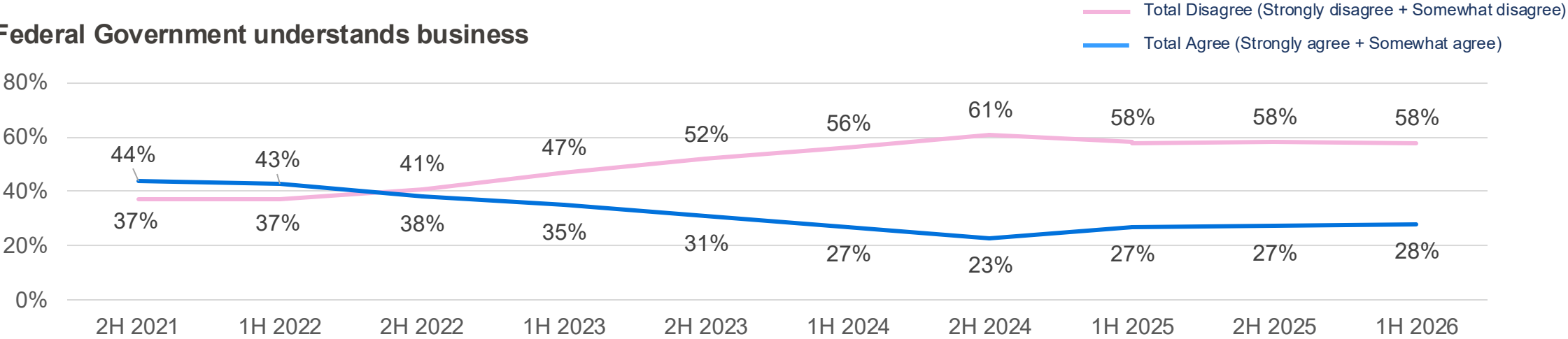
MICRO/STRUCTURAL POLICY SETTINGS DSI CATEGORY OVERVIEW

- The Micro/Structural Policy Settings DSI category includes:
 - Perception of levels of corporate/personal taxation and the GST, government spending on infrastructure and education, openness to foreign investment, support for international trade and innovation, and assessments of government understanding of business.
- The Micro/Structural Policy Settings DSI category score (-47) decreased by 1 point in the first half of 2026.

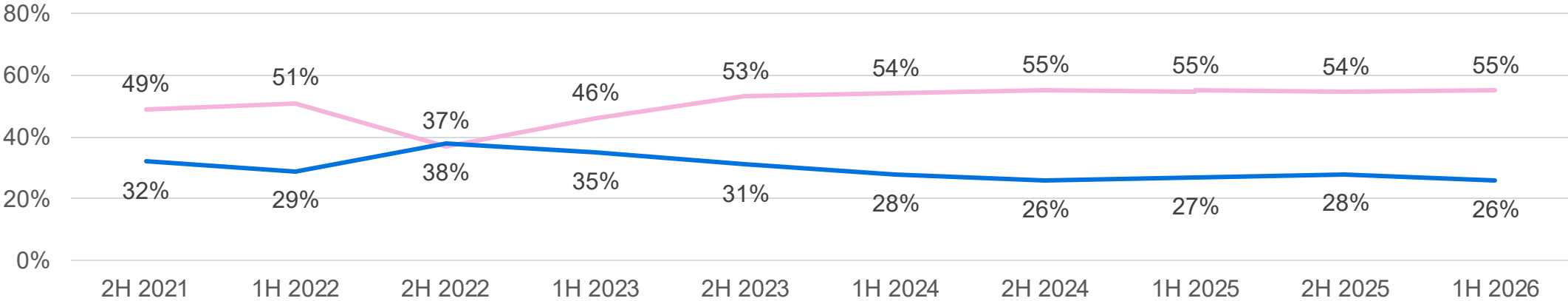
Source: Roy Morgan AICD Director Sentiment Index Survey 1st Half 2026. Base: AICD Directors 18+, n= 828. T1. What is your level of satisfaction with the current state of the following Australian policy settings...?

More than half of directors do not trust the Federal government, and disagree that the Federal government understands business

The Federal Government understands business



I trust the Federal Government



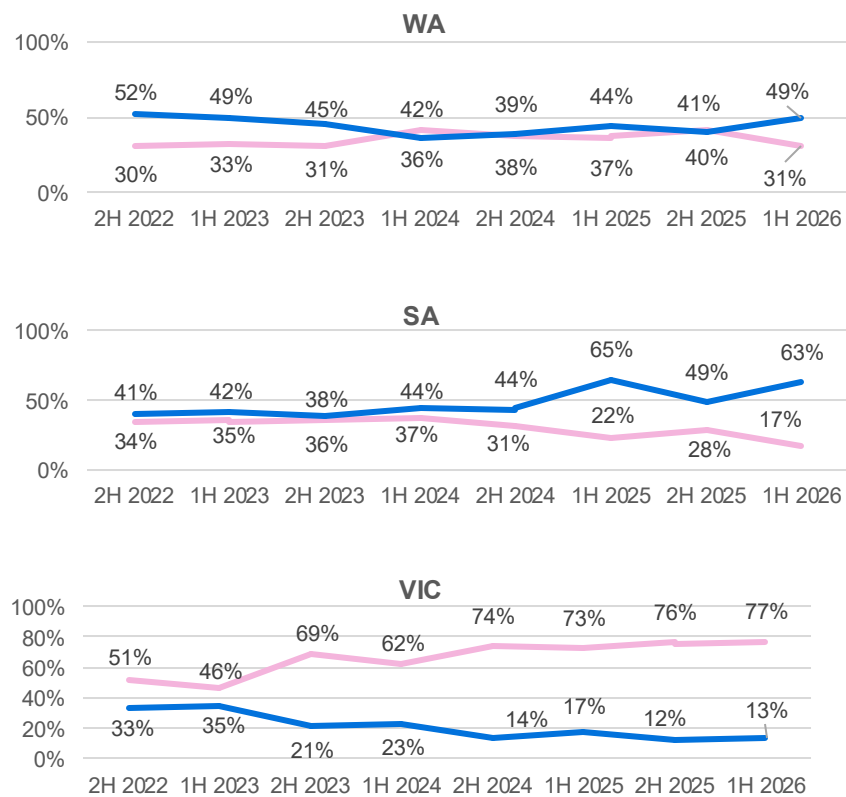
Source: Roy Morgan AICD Director Sentiment Index Survey 1st Half 2026. Base: AICD Directors 18+, n= 828.
 RE3.1. To what extent do you agree or disagree that the Federal Government understands business?
 RE3.2. To what extent do you agree or disagree that you trust the Federal government?

Note: Neutral (Neither strong nor weak, Neither Satisfied nor Dissatisfied, Neither Agree nor Disagree etc.) was a response option in the survey but it is not displayed in these charts, hence the Totals do not add to 100%.

Most Victorian directors disagree that the Victorian government understands businesses

More directors in Western Australia and South Australia agree that the state government understands business in 1H 2026 compared to 2H 2025.

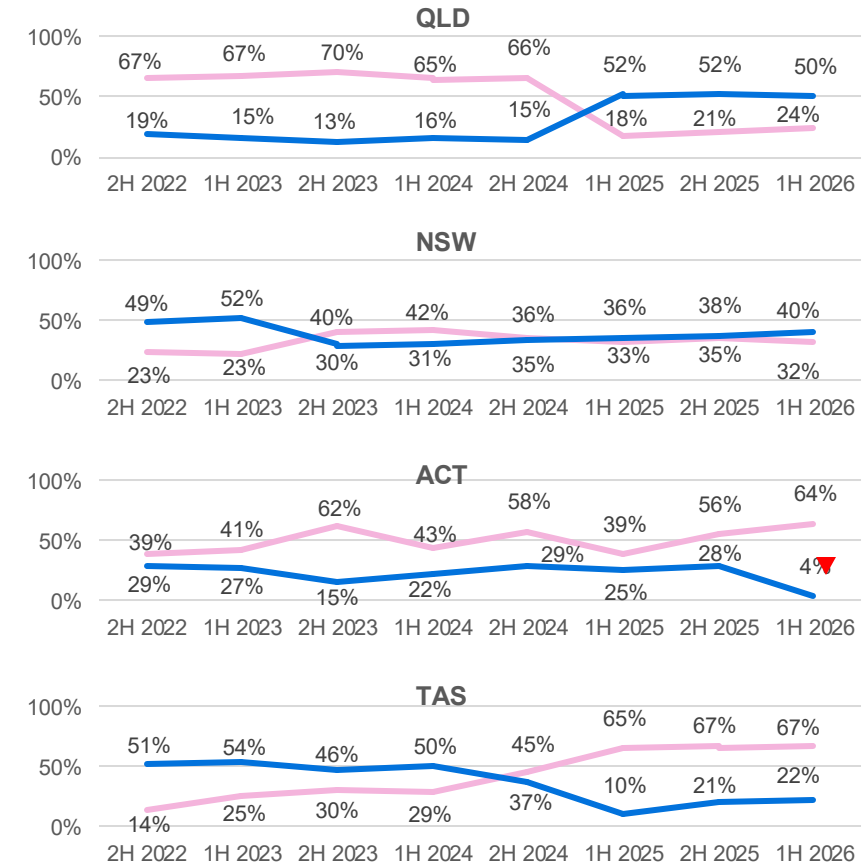
My state government understands business



— Total Disagree (Strongly disagree + Somewhat disagree)
— Total Agree (Strongly agree + Somewhat agree)

Note: Neutral (Neither strong nor weak, Neither Satisfied nor Dissatisfied, Neither Agree nor Disagree etc.) was a response option in the survey but it is not displayed in these charts, hence the Totals do not add to 100%.

▲ ▼ Arrows represent significant increase or decrease at 95% or 99% confidence level since 2nd Half 2025 survey.

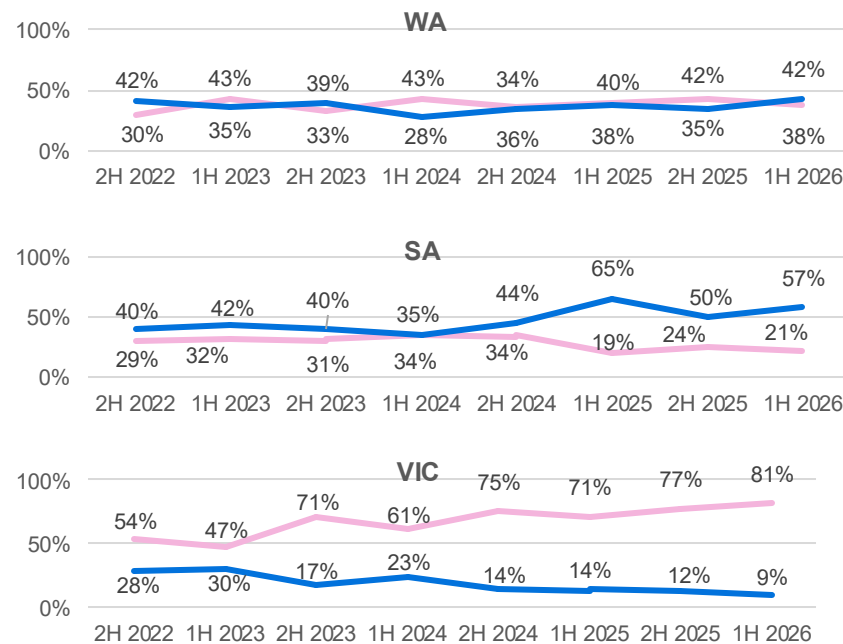


Source: Roy Morgan AICD Director Sentiment Index Survey 1st Half 2026. Base: AICD Directors 18+, n= 828.
 RE3. To what extent do you agree or disagree with the following statements: RE3.3 The [State government of primary directorship] understands business.
 NSW n=263, VIC n=211, QLD n=150, SA n=51, WA n=78, TAS n=18*, ACT n=28*, NT n=9*. * Indicates small base <50. NT not shown due to low base.

Trust in the Victorian government continues to decline as the proportion of directors disagreeing rises to 81%

Trust in the governments of Western Australia, South Australia and Queensland have increased.

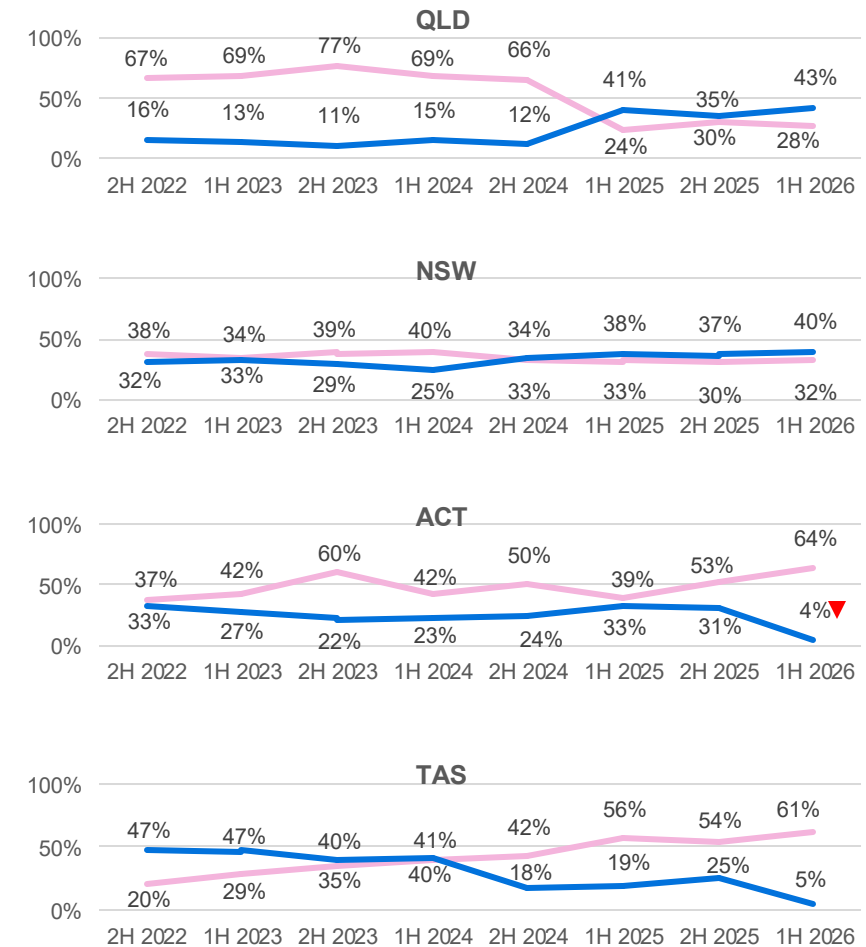
I trust my state government



— Total Disagree (Strongly disagree + Somewhat disagree)
— Total Agree (Strongly agree + Somewhat agree)

Note: Neutral (Neither strong nor weak, Neither Satisfied nor Dissatisfied, Neither Agree nor Disagree etc.) was a response option in the survey but it is not displayed in these charts, hence the Totals do not add to 100%.

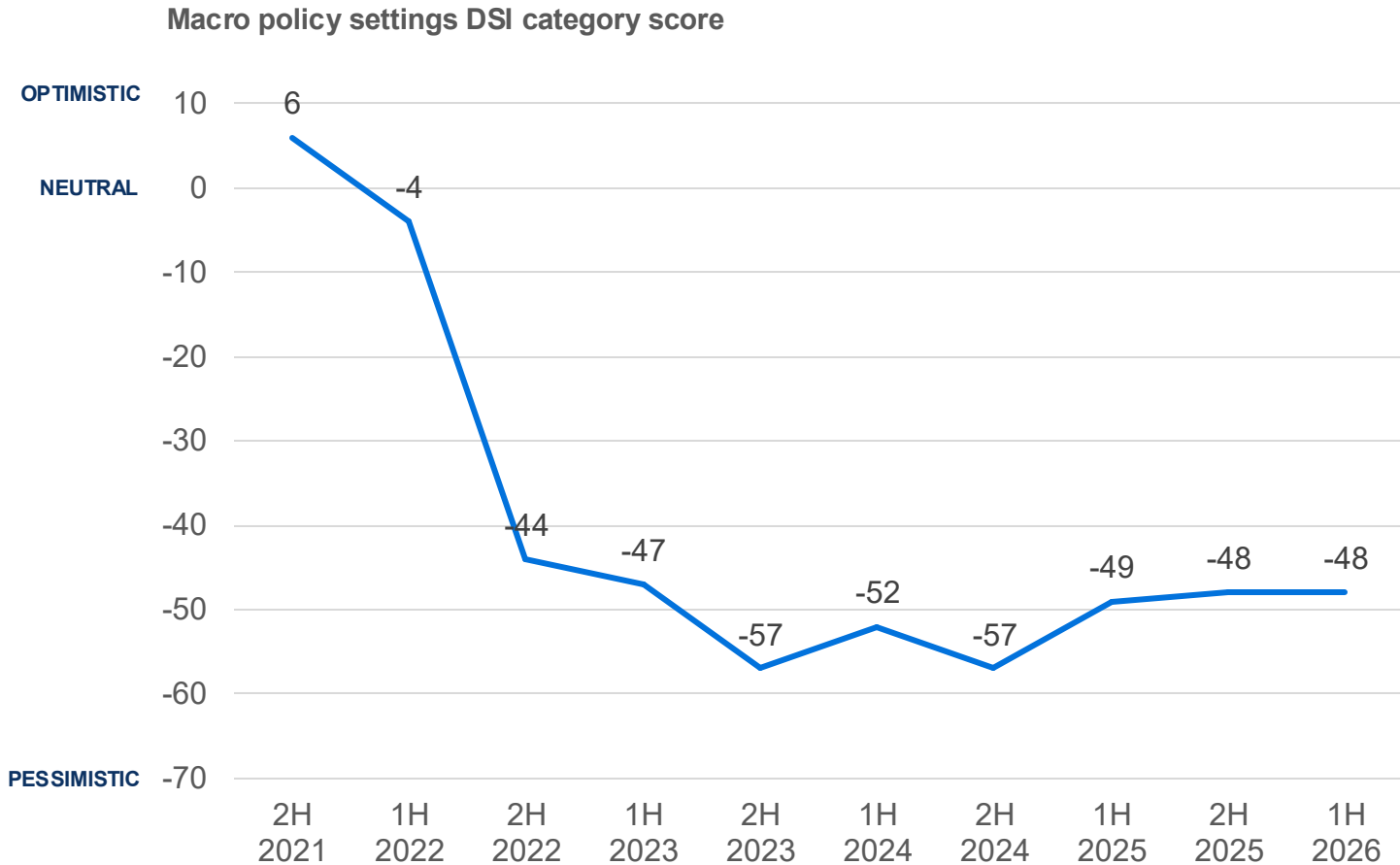
▲ ▼ Arrows represent significant increase or decrease at 95% or 99% confidence level since 2nd Half 2025 survey.



Source: Roy Morgan AICD Director Sentiment Index Survey 1st Half 2026. Base: AICD Directors 18+, n= 828. RE3.4. To what extent do you agree or disagree that you trust the state government where your primary directorship is based? NSW n=263, VIC n=211, QLD n=150, SA n=51, WA n=78, TAS n=18*, ACT n=28*, NT n=9*. * Indicates small base <50. NT not shown due to low base.

Macro Policy Settings

Assessment of macro policy settings remains deeply negative



MACRO POLICY SETTINGS DSI CATEGORY OVERVIEW

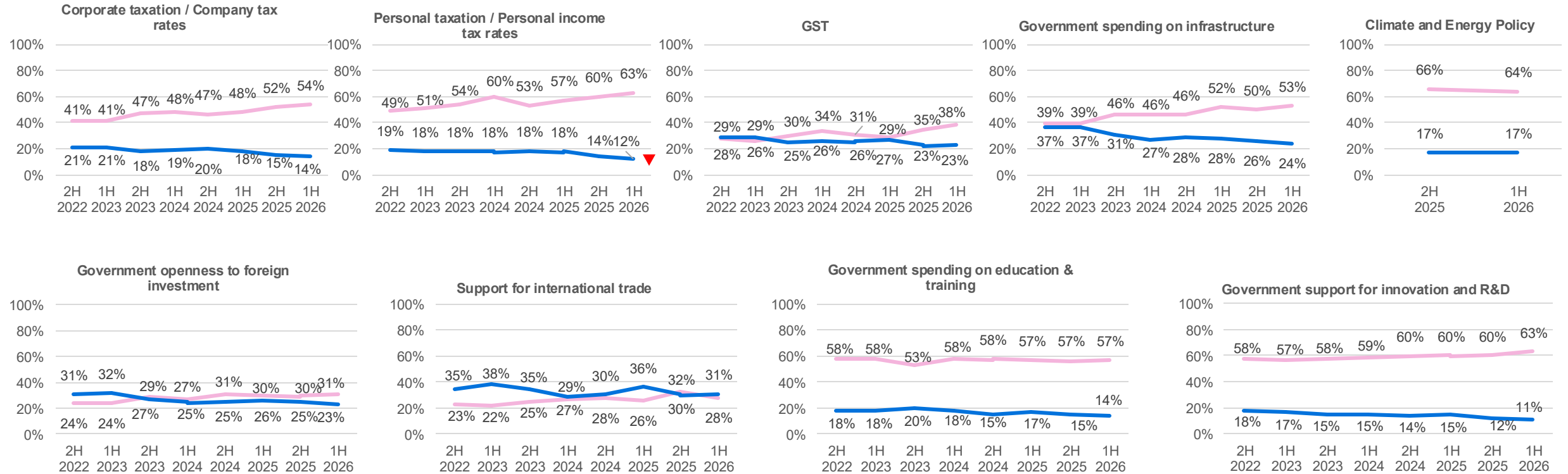
- The Macro Policy Settings DSI category includes:
 - Assessment of the adequacy of federal and state government fiscal support and RBA monetary policy, the impact of the Australian dollar and the availability of business credit.
- The Macro Policy Settings DSI category score showed no change from H2 2025

Source: Roy Morgan AICD Director Sentiment Index Survey 1st Half 2026. Base: AICD Directors 18+, n= 828. MA1. How positively or negatively do the following affect your business?

More directors are dissatisfied than satisfied across most macro policy settings

Satisfaction with support for international trade remains mixed. Climate and energy policy continues to attract the most dissatisfaction, followed closely by personal taxation and support for innovation and R&D.

Satisfaction with Australian policy settings



— Total Dissatisfied (Very dissatisfied + Somewhat dissatisfied)
 — Total Satisfied (Very satisfied + Somewhat satisfied)

Note: Neutral (Neither strong nor weak, Neither Satisfied nor Dissatisfied, Neither Agree nor Disagree etc.) was a response option in the survey but it is not displayed in these charts, hence the Totals do not add to 100%.

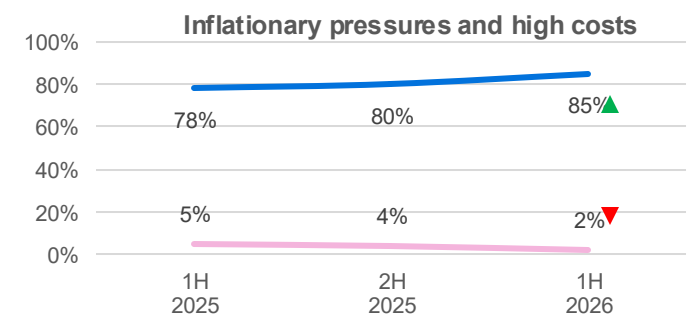
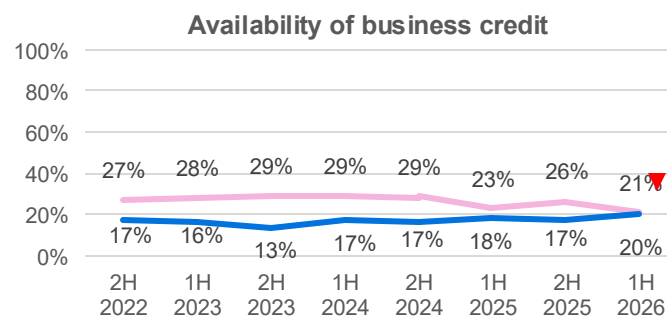
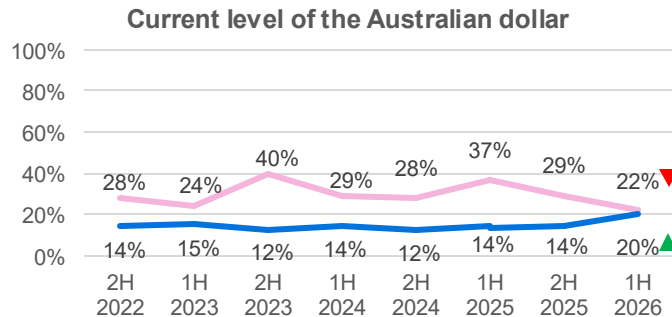
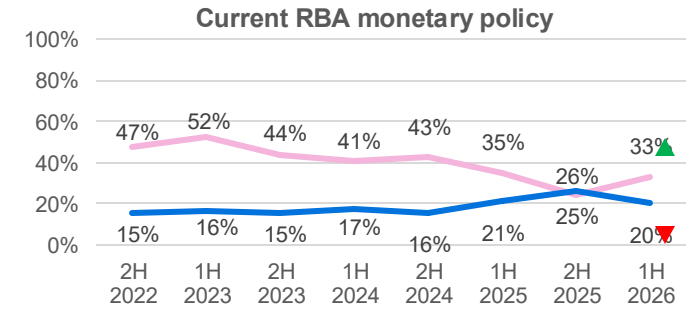
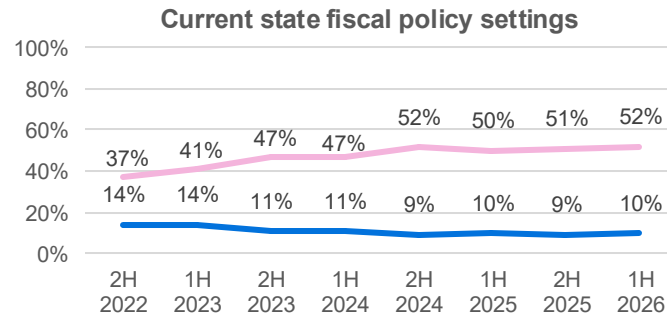
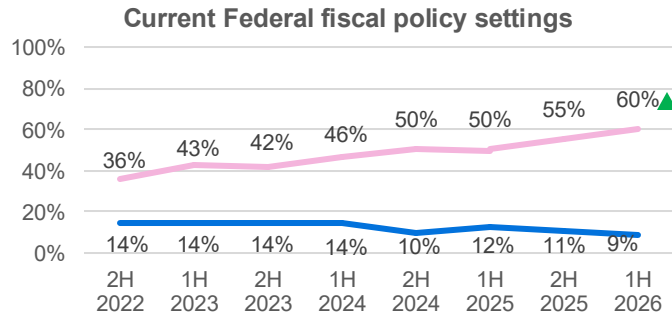
Inflationary pressures and high costs are negatively affecting business according to 85% of Australian directors

Over half of directors believe current state fiscal policy is negatively affecting businesses and an even higher number of directors (60%) report the same about current federal fiscal policy.

Impact on business

— Total Negatively (Very negatively + Somewhat negatively)
— Total Positively (Very positively + Somewhat positively)

Note: Neutral (Neither strong nor weak, Neither Satisfied nor Dissatisfied, Neither Agree nor Disagree etc.) was a response option in the survey but it is not displayed in these charts, hence the Totals do not add to 100%.



▲ ▼ Arrows represent significant increase or decrease at 95% or 99% confidence level since 2nd Half 2025 survey.

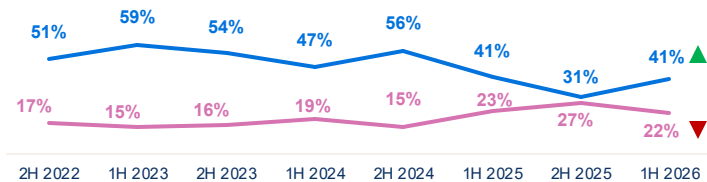
An overwhelming majority of directors predicted the rate rise enacted by the RBA in March

Concerns that current monetary policies will cause a major uptick in business insolvencies have increased since 2H 2025 and significantly fewer directors now believe that RBA lowering interest rates would have a positive impact on the economy.

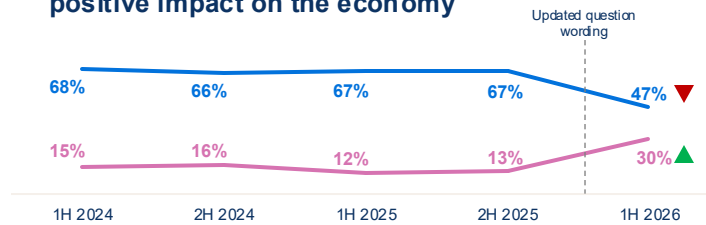
Thinking about Inflation, Interest Rates and the RBA, please indicate the extent to which you agree or disagree with the following statements:

— Total Disagree (Strongly disagree + Somewhat disagree)
 — Total Agree (Strongly agree + Somewhat agree)

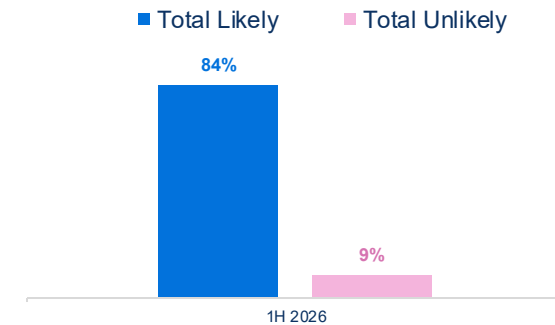
Current monetary policies will cause a major uptick in business insolvency



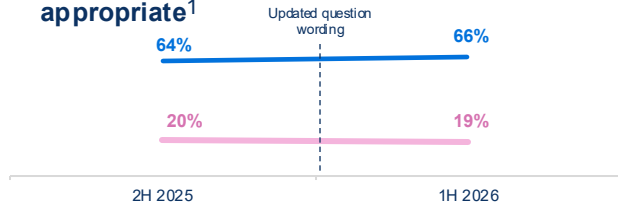
The RBA lowering interest rates would have a positive impact on the economy²



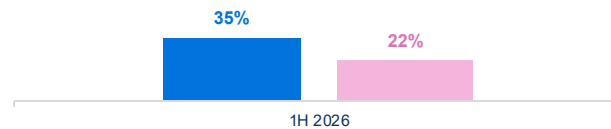
What do you think is the likelihood of (a further) interest rate rise by the RBA in the next 6 months?



The RBA's cautious approach to lowering interest rates in 2025 was appropriate¹



The recent rise in interest rates will be detrimental to my business



▲▼ Arrows represent significant increase or decrease at 95% or 99% confidence level since 2nd Half 2025 survey.

Source: Roy Morgan AICD Director Sentiment Index Survey 1st Half 2026. Base: AICD Directors 18+, n= 828
 RBA1. Thinking about inflation, interest rates and the RBA, please indicate the extent to which you agree or disagree with the following statements.

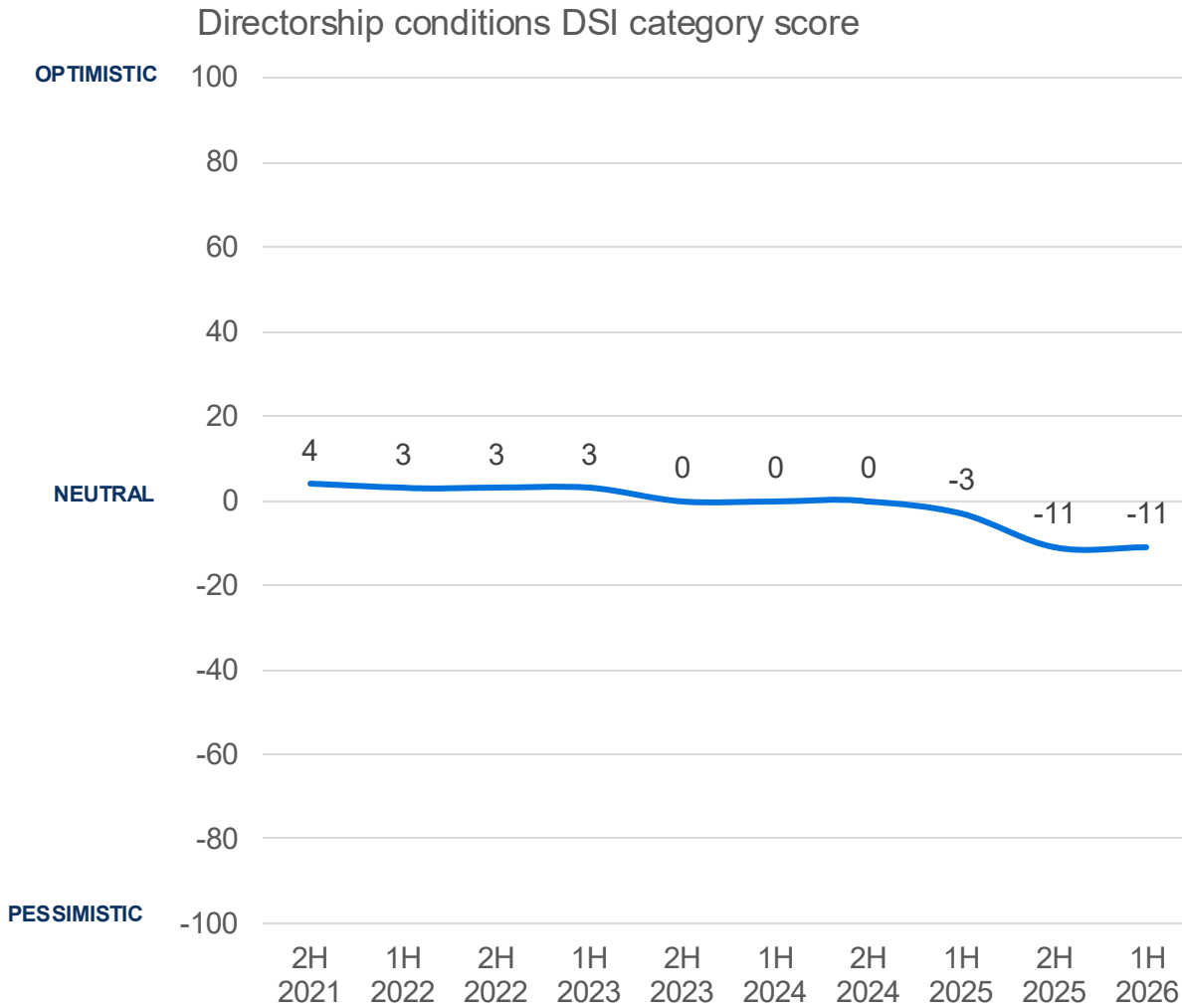
RBA2. What do you think is the likelihood of (a further) interest rate rise by the RBA in the next 6 months?
¹Statement changed from 'The RBA's cautious approach to lowering interest rates has been appropriate'

²Statement changed from 'The RBA lowering interest rates further will positively impact the economy'

Note: Neutral (Neither strong nor weak, Neither Satisfied nor Dissatisfied, Neither Agree nor Disagree. Neither likely nor unlikely etc.) was a response option in the survey but it is not displayed in these charts, hence the Totals do not add to 100%.

Directorship Conditions

Sentiment toward directorship conditions remains unchanged at -11



DIRECTORSHIP CONDITIONS DSI CATEGORY OVERVIEW

- The Directorship Conditions DSI category includes:
 - Balance of current governance regulations (principles-based vs prescriptive), satisfaction of corporate reporting requirements and diversity on Australian boards, and whether director liability provisions negatively impact decision-making.
- While there was no change in the overall category score for directorship conditions, this wave saw increases in agreement that current governance regulations are balanced and that liability provisions negatively impact decision-making.

Source: Roy Morgan AI/CD Director Sentiment Index Survey 1st Half 2026. Base: AI/CD Directors 18+, n= 828.
 G1. Based on your personal board experience, please indicate the extent to which you agree or disagree with the following statements.

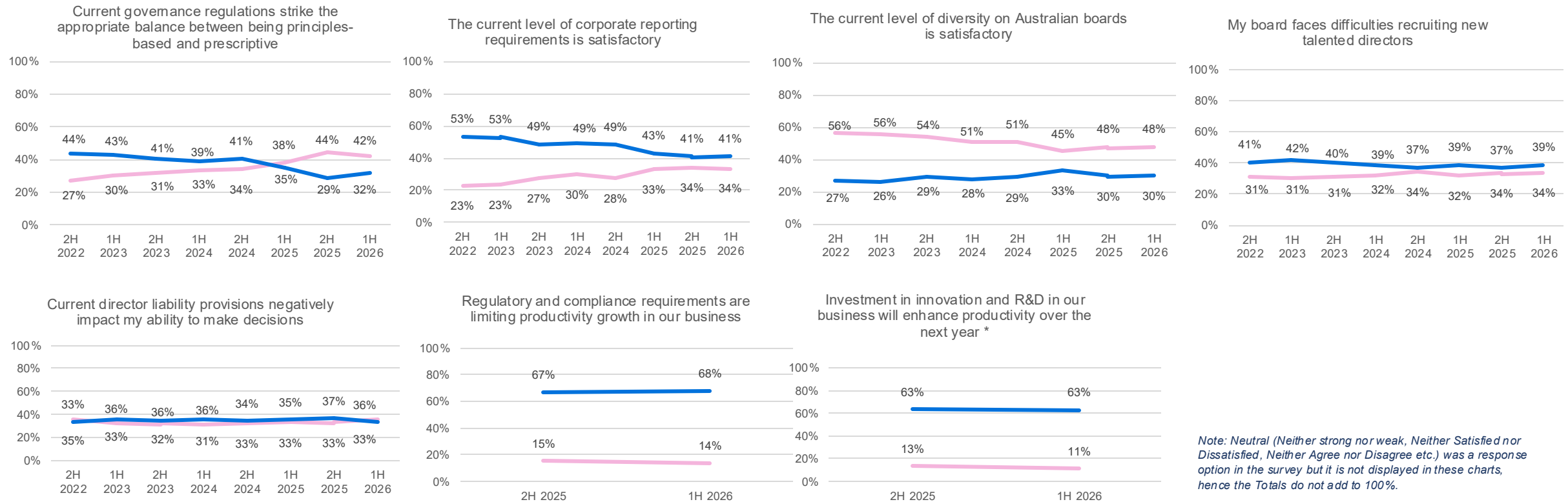
Most directors continue to believe regulatory and compliance requirements are limiting productivity growth, and that investment in innovation and R&D will enhance productivity over the next year

Overall dissatisfaction with the level of diversity on Australian boards remains high. Opinions regarding current director liability provisions impact on decision making remain mixed.

Directorship Conditions

Based on your personal board experience, please indicate the extent to which you agree or disagree with the following statements:

— Total Disagree (Strongly disagree+ Somewhat disagree)
 — Total Agree (Strongly agree + Somewhat agree)

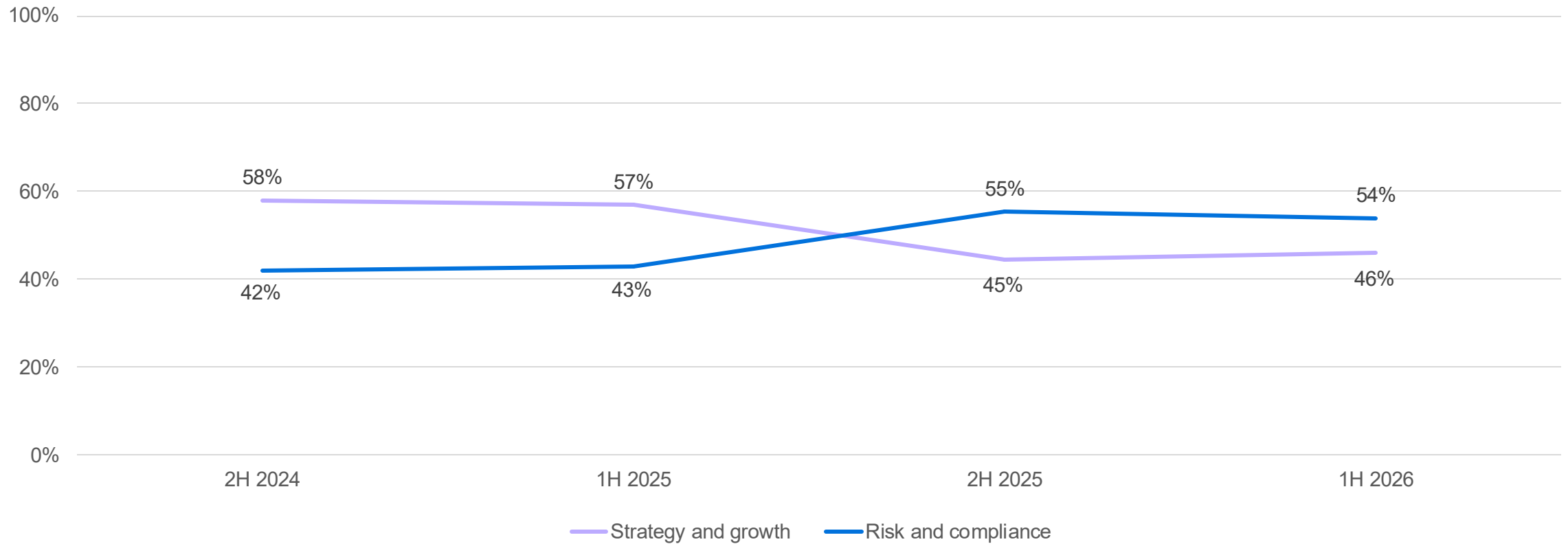


Note: Neutral (Neither strong nor weak, Neither Satisfied nor Dissatisfied, Neither Agree nor Disagree etc.) was a response option in the survey but it is not displayed in these charts, hence the Totals do not add to 100%.

Source: Roy Morgan AICD Director Sentiment Index Survey 1st Half 2026. Base: AICD Directors 18+, n= 828.
 G1. Based on your personal board experience, please indicate the extent to which you agree or disagree with the following statements.
 Board experience statements 1-2% = Not applicable; My board faces difficulties recruiting new talented directors 4% = Not applicable.
 * Wording change in 1H 2026 from "Investment in innovation and research and development (R&D) will enhance productivity in our business over the next year"

Risk and compliance remains slightly elevated as a topic of focus in board discussions compared to strategy and growth

Percentage of board's discussion on each topic



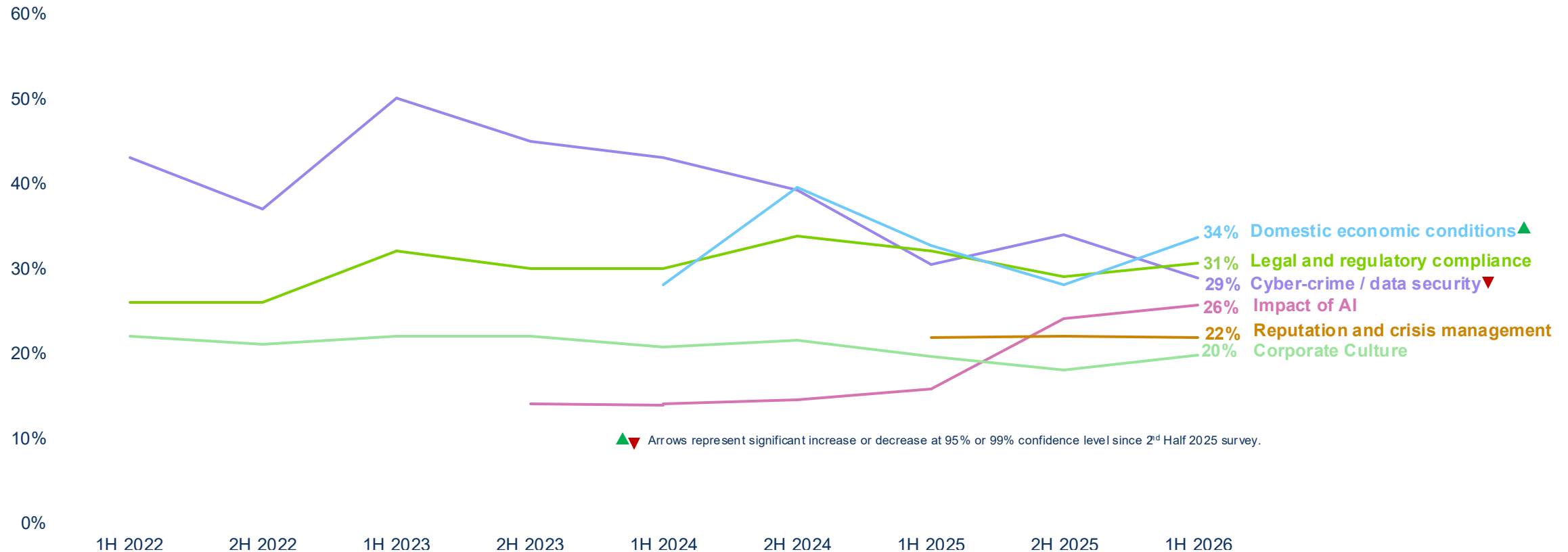
Source: Roy Morgan AI/CD Director Sentiment Index Survey 1st Half 2026. Base: AI/CD Directors 18+, n= 828. G3A. Thinking about your board's focus on the 2 topics of "Strategy and growth" and "Risk and compliance". Please estimate the percentage of your board's discussion and consideration on each of these topics.

Topical / Deep Dives

Domestic economic conditions is the number one issue keeping directors awake at night followed by legal and regulatory compliance

Cyber-crime / data security remains a major focus and concerns over the impact of AI has increased.

Top issues most likely to keep directors awake at night (Total Mentions)



Source: Roy Morgan AI/CD Director Sentiment Index Survey 1st Half 2026. Base: AI/CD Directors 18+, n= 828
 TQ1. What are the top 3 issues most likely to "keep you awake at night" as a director on your board? The percentage refers to respondents who nominated this as a top 3 issue. Note: Amendments to list may impact comparability with previous results.
 Note: Only displaying prominent issues with mentions > 20% in 1H 2026. Amendments to the list may impact comparability with previous results.

The top issues keeping directors awake at night vary notably by industry

Top issues that keep directors awake at night? (Total Mentions)



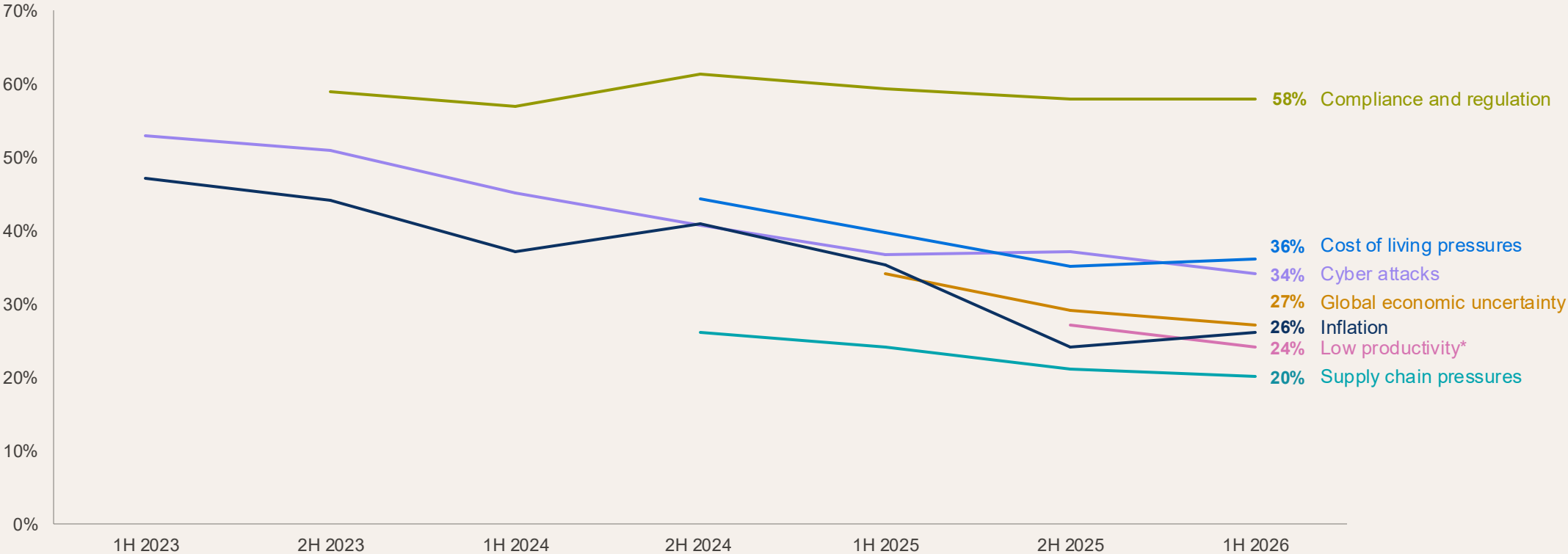
- The number of directors reporting **domestic economic conditions** as a primary concern has significantly increased from 2H 2025 (34% vs 28%), with those in **Manufacturing** (54%) more likely to be worried.
- Concern about the impact of **artificial intelligence** is significantly higher amongst those working in the **Professional, Scientific and Technical** (37%) but lower in **Healthcare and Social Assistance** (20%) and **Agriculture, Forestry and Fishing** (15%)
- **Legal and regulatory compliance** (44%) and **cybercrime / data security** (63%) are of particular concern amongst directors in **Financial and Insurance Services** compared to directors in general.
- Directors in **Healthcare and Social Assistance** are twice as likely to be concerned about **labour shortages** (26%) but significantly less likely to be concerned about **global conflicts** (6%) or **global economic conditions** (7%) than directors in general.

▲▼ Arrows represent significant increase or decrease at 95% or 99% confidence level since 2nd Half 2025 survey.

Compliance and regulation remains the leading factor impacting boards' risk appetite and is well ahead of other issues

The impact of cost-of-living pressures and inflation on board's risk appetite increased.

Factors impacting board's risk appetite – Top Issues (Total Mentions)



Source: Roy Morgan AICD Director Sentiment Index Survey 1st Half 2026. Base: AICD Directors 18+, n=828 TQ3a1. Have any of the following impact your board's risk appetite?
 Note: Only displaying prominent issues in 1H 2026
 *Low / poor enterprise productivity changed to low productivity in 1H 2026

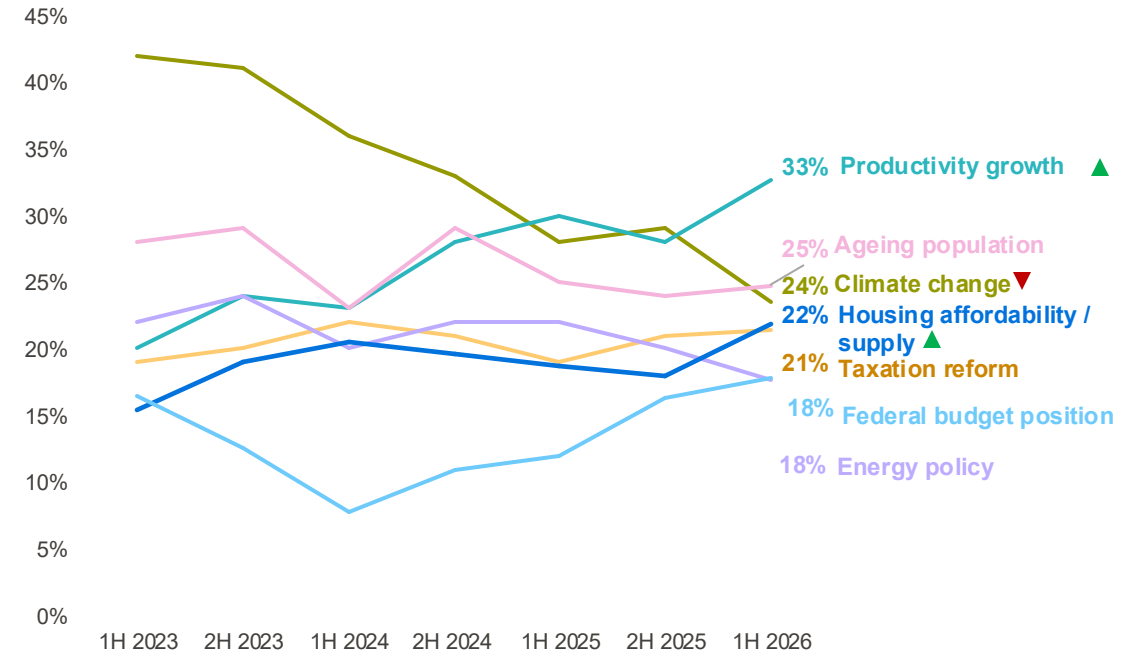
Productivity growth remains the top issue directors feel the Federal government should address in both the short and long term

Taxation reform and the Federal budget position have gained ground as short-term priorities, while attention on climate change has eased.

Top issues Federal government should address in next 3 years



Top issues Federal government should address in next 10-20 years



*New option added in 1H 2026 (No historical data available).
 Note: new option may impact comparability of trended results

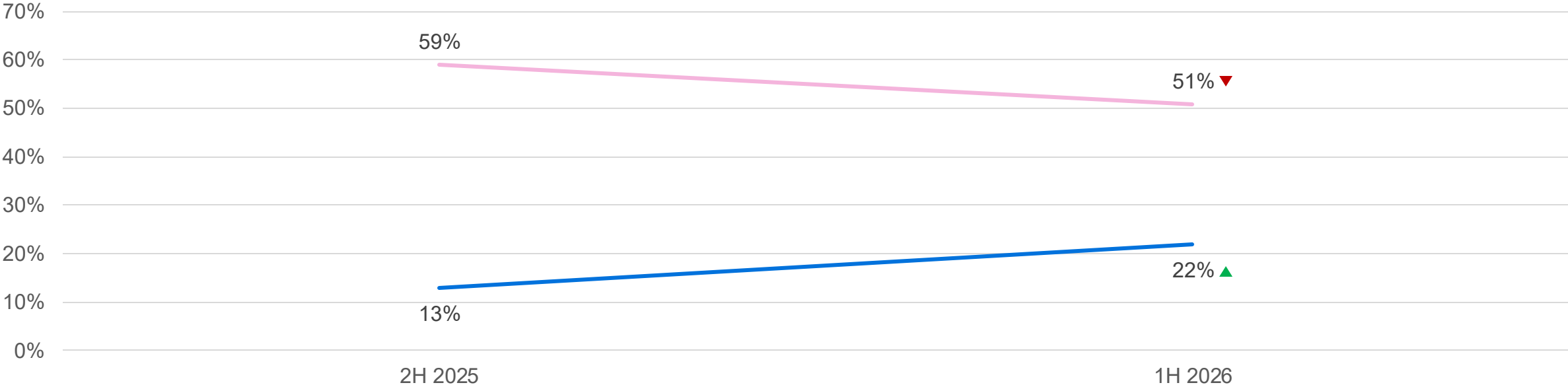
▲ ▼ Arrows represent significant increase or decrease at 95% or 99% confidence level since 2nd Half 2025 survey.

Source: Roy Morgan AICD Director Sentiment Index Survey 1st Half 2026. Base: AICD Directors 18+, n=828
 RE4. In your opinion, what are the top 3 issues the federal government should address in the short term (next 3 years)?
 RE4a. Now thinking about the longer term (next 10-20 years), what are the top 3 issues the federal government should address?
 Note: Only displaying prominent issues in 1H 2026. Amendments to the list may impact comparability with previous results.

When considering its impact on the productivity of the Australian economy, around half of directors favour increasing Australia’s skilled migration, although support has declined over the past six months

— Total Lower (Much lower + Slightly lower)
— Total Higher (Much higher + Slightly higher)

Considering the impact on productivity, current levels of skilled migration should be:



▲▼ Arrows represent significant increase or decrease at 95% or 99% confidence level since 2nd Half 2025 survey.

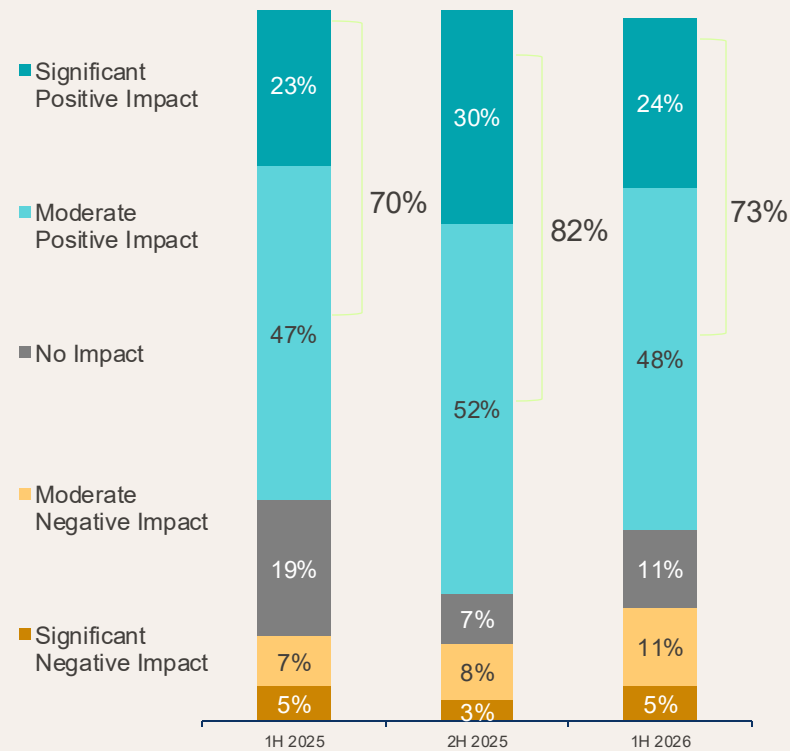
Note: Neutral (About the same) was a response option in the survey but it is not displayed in these charts, hence the Totals do not add to 100%.

Source: Roy Morgan AICD Director Sentiment Index Survey 1st Half 2026. Base: AICD Directors 18+, n= 828
 DD15a. Thinking about the level of skilled migration and its overall impact on the productivity of the Australian economy, which of the following best describes your opinion of Australia's current level of skilled migration?
 Skilled migration should be ...
 Note: Question wording changed in 2H 2025, previously asked as "DD15. Thinking about the level of migration and its overall impact on the productivity of the economy, which of the following best describes your opinion of Australia's current level of migration?"

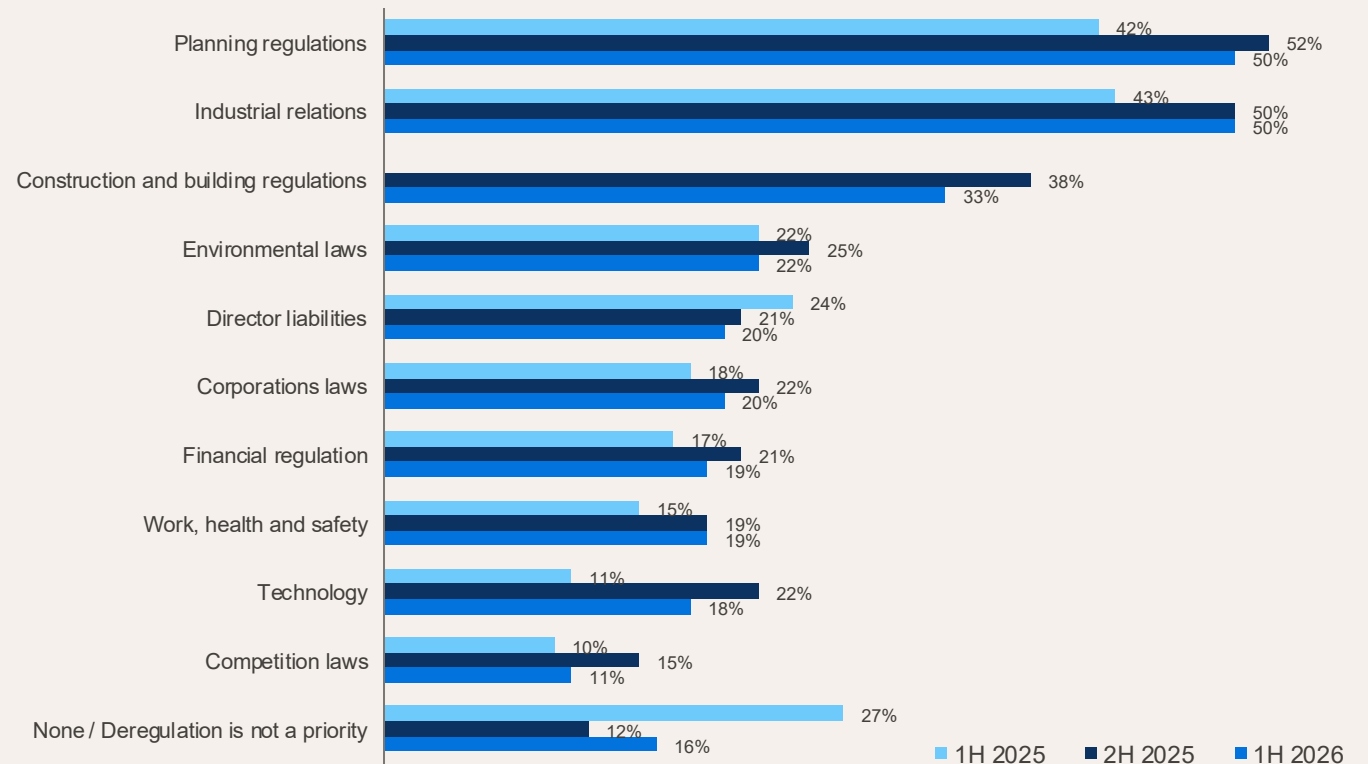
Almost three-quarters of directors believe deregulation would have a positive impact on Australia's productivity and economic growth

Planning regulations and industrial relations seen as priorities for a deregulation agenda to improve national productivity.

In your view, what would be the impact of a major business deregulation agenda on Australia's productivity and economic growth?



What areas of regulation should be the focus of any deregulation agenda to improve national productivity? *



Note: 'Construction and building regulation' was added as a new option in 2H 2025

Source: Roy Morgan AICD Director Sentiment Index Survey 1st Half 2026. Base: AICD Directors 18+, n= 828

Regulation 2a. In your view, what would be the impact of a major business deregulation agenda on Australia's productivity and economic growth? Select all that apply.

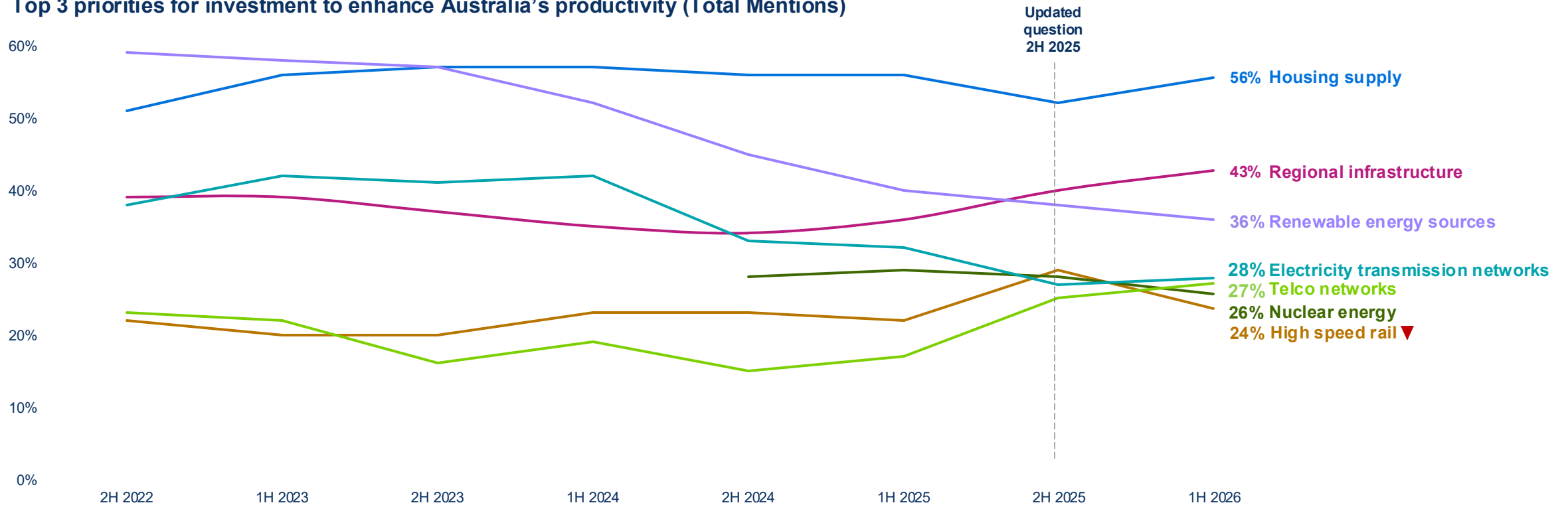
Regulation 1a. What areas of regulation should be the focus of any deregulation agenda to improve national productivity? * Note: Question wording changed in 2H 2025, previously asked as "What areas of regulation should be the focus of any deregulation agenda".

Only displaying mentions > 10% in 1H 2026.

Investment in housing supply is seen as key to boosting productivity, followed by regional infrastructure which continues to climb as a priority

Investment in renewable energy sources and transmission networks were also identified by directors as having a role in lifting productivity.

Top 3 priorities for investment to enhance Australia’s productivity (Total Mentions)



▲ ▼ Arrows represent significant increase or decrease at 95% or 99% confidence level since 2nd Half 2025 survey.

Source: Roy Morgan AICD Director Sentiment Index Survey 1st Half 2026. Base: AICD Directors 18+, n= 828

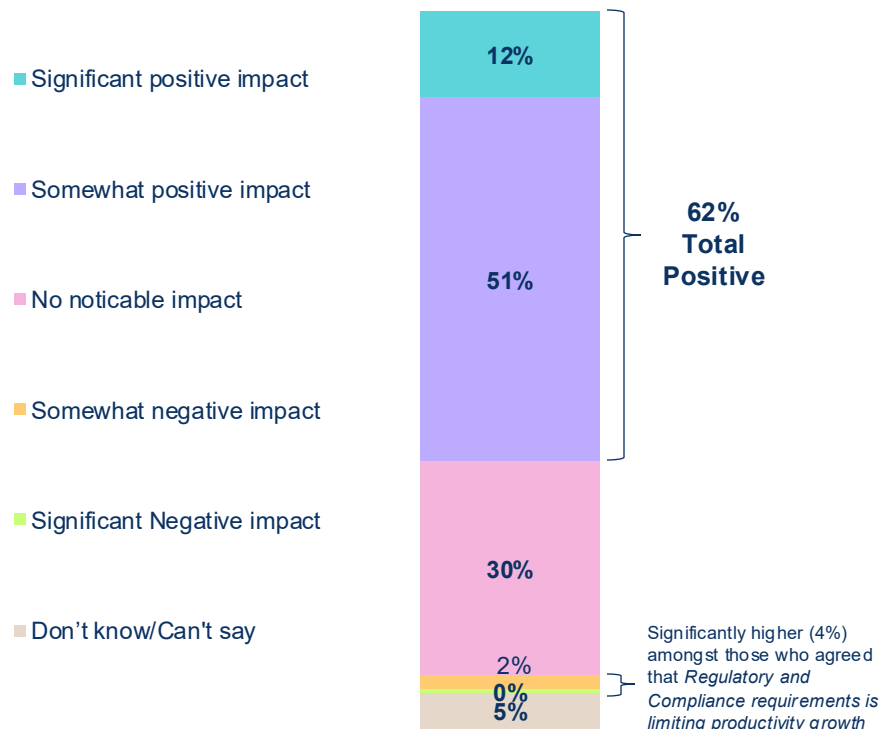
I2a. Now thinking about infrastructure, what are your top 3 priorities for investment that would enhance Australia’s productivity.

Note: Question wording changed in 2H 2025, previously asked as “Now thinking about infrastructure, what are your top 3 priorities for investment”. Only displaying prominent issues with mentions > 20% in 1H 2026.

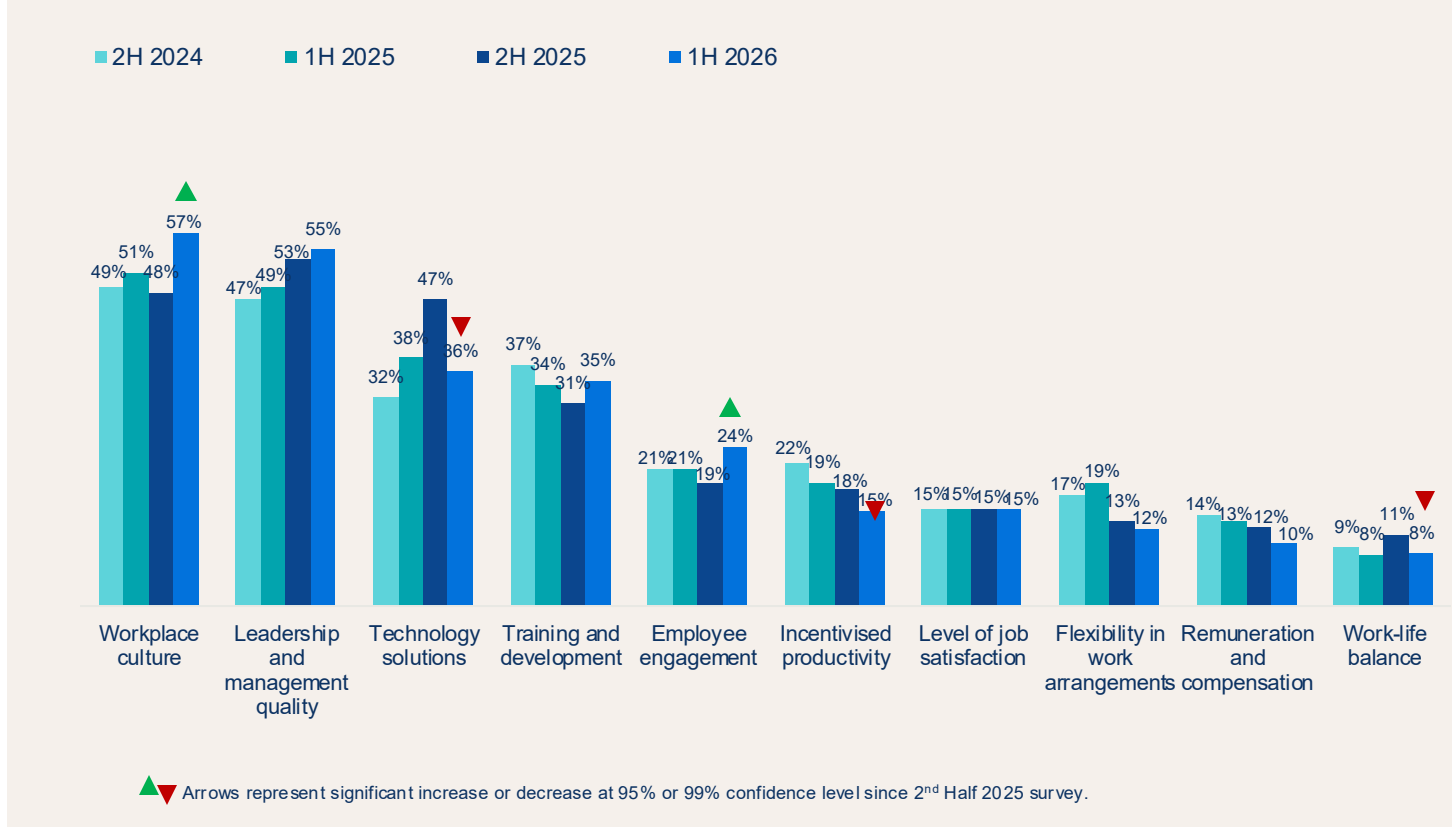
Almost two thirds of directors have seen a positive impact on productivity and performance in their organisations through AI tools

Workplace culture, leadership and management quality, and technology solutions are having largest impact on boosting productivity, while 12% of directors believe flexibility in work arrangements also plays a significant role.

Impact of AI tools on performance and productivity *



Largest impact on boosting productivity in businesses

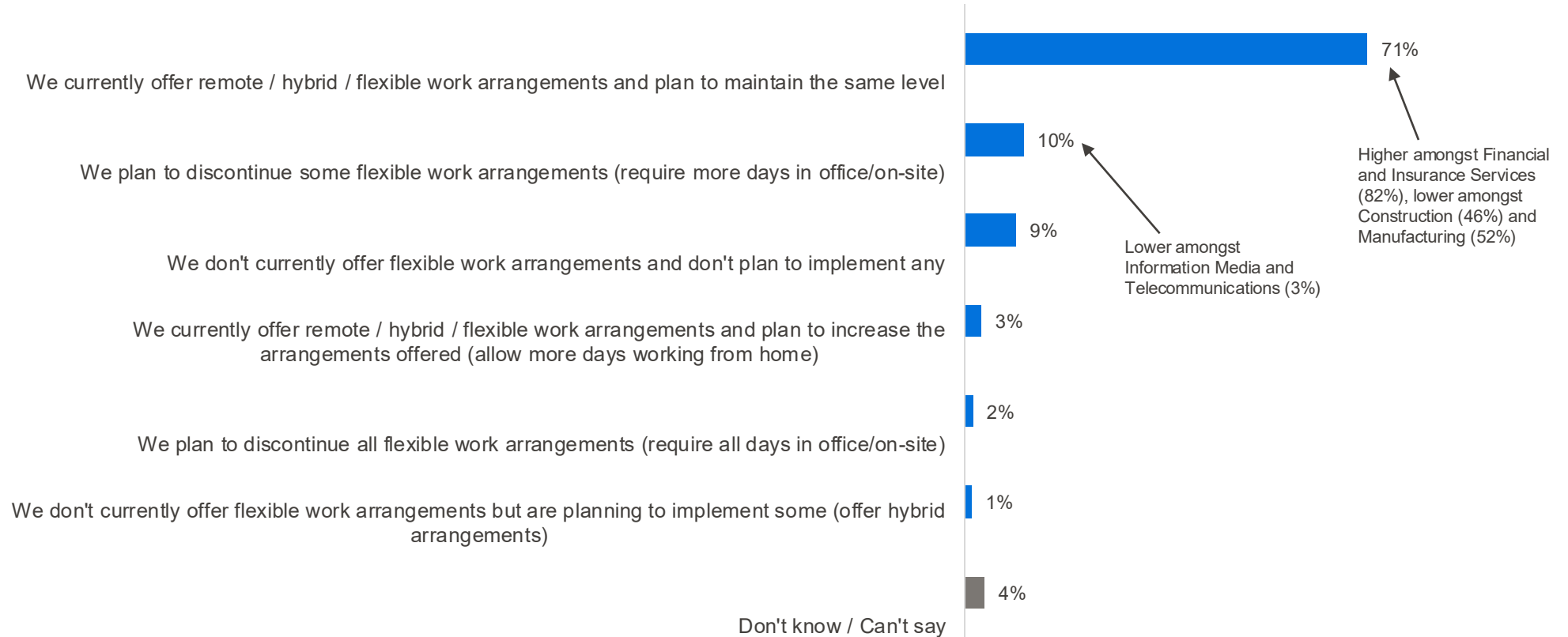


Source: Roy Morgan AICD Director Sentiment Index Survey 1st Half 2026. Base: AICD Directors 18+, n= 828
 AI1. Thinking about AI tools, what impact has their use had on performance and productivity for your organisation?
 DD11. In your opinion, which of the following have the largest impact on boosting productivity in businesses? Please rank the top 3 issues in order of importance, with 1 being the most important
 Displaying total mentions > 8% in 1H 2026.
 Note - In 2H 2025, Leadership and management style was updated to Leadership and management quality
 Significance is calculated as significantly higher or lower than the total at 95% or 99% confidence level

Amid ongoing policy and workplace discussions, most organisations continue to offer flexible work arrangements and plan to maintain them over the next 12 months

1 in 10 intend to scale back flexible arrangements by increasing in-office requirements, while a similar proportion do not offer flexibility at all.

Plans regarding flexible work arrangements in the next 12 months *

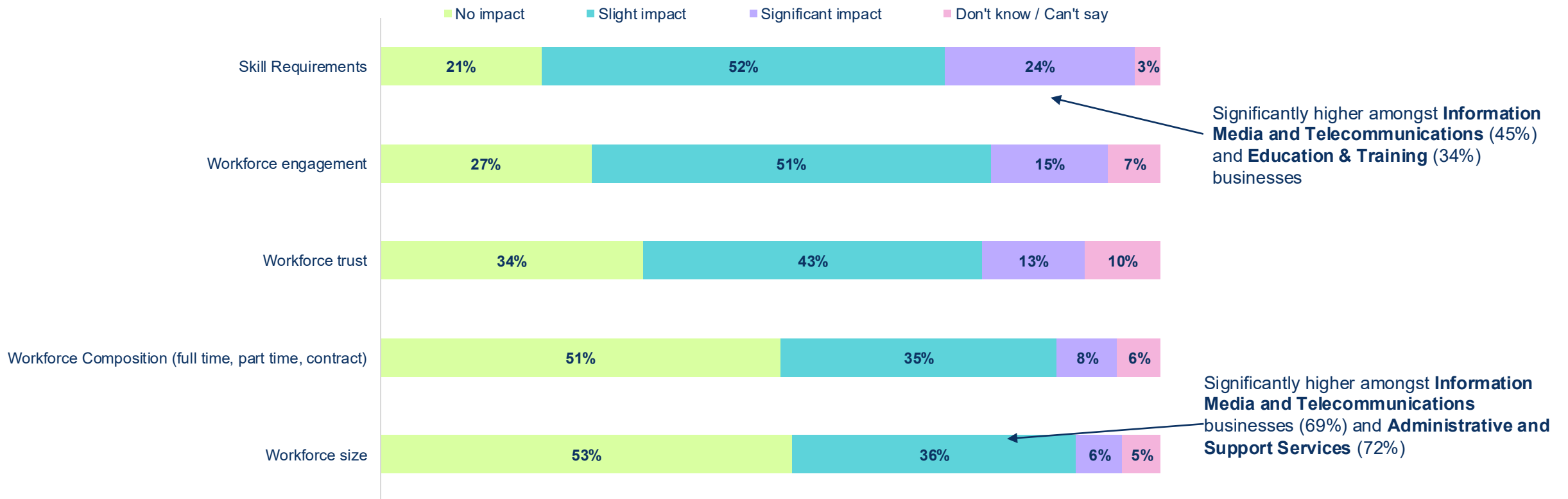


*New question in 1H 2026 (No historical data available)

AI is expected to reshape workforce dynamics over the next 12 months, particularly around skill requirements and employee engagement

Around 4 in 10 directors anticipate an impact on workforce size, with these effects most pronounced in the Information Media and Telecommunications, and Administrative and Support services sectors.

To what extent will artificial intelligence have a material impact in the following areas? *



*New question in 1H 2026 (No historical data available)

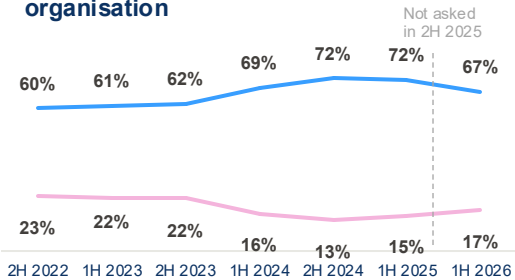
Source: Roy Morgan AICD Director Sentiment Index Survey 1st Half 2026. Base: AICD Directors 18+, n= 828.
 AI2. Thinking about your organisation's workforce in the next 12 months, to what extent will artificial intelligence have a material impact in the following areas?
 Significance is calculated as significantly higher or lower than the total at 95% or 99% confidence level
 Figures have been rounded to the nearest integer

Half of directors believe the pace of AI change is creating more benefits than risks. But more than half agree the pace of change is faster than their organisations can keep up with.

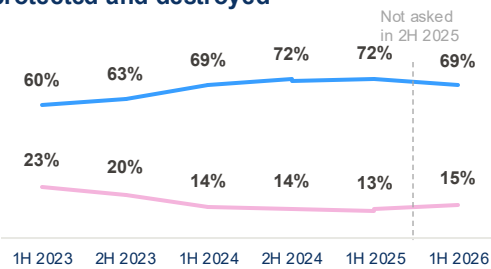
Incorrect use is seen as the risk that would cause the most damage from AI, followed by cyber-security threats.

— Total Disagree (Strongly disagree + Somewhat disagree)
— Total Agree (Strongly agree + Somewhat agree)

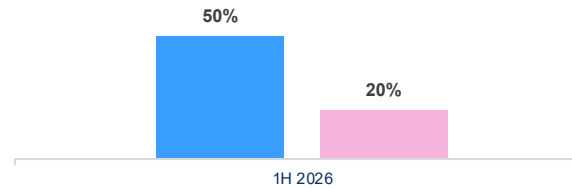
Our board has effective oversight of cyber security threats to our organisation



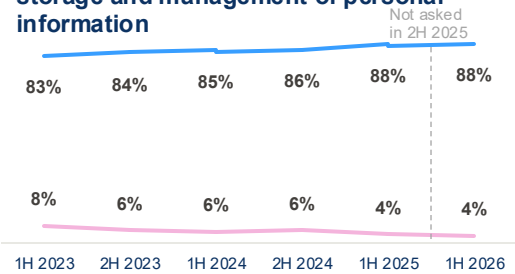
We have a data governance framework to guide how data is collected, stored, protected and destroyed



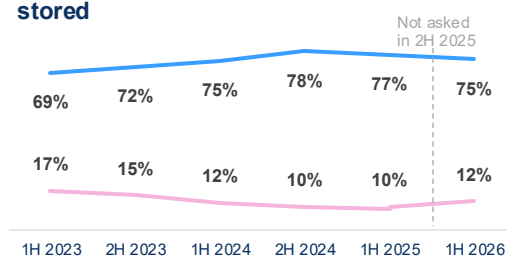
The current pace of digital and AI change is creating more benefits than risks in our organisation



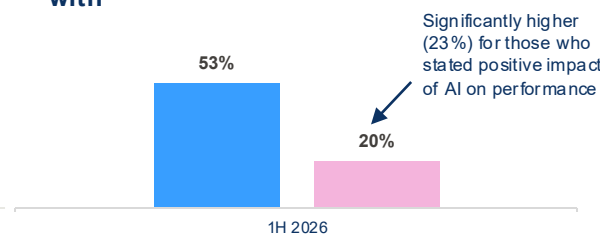
Our board is aware of the Privacy Act obligations related to the collection, storage and management of personal information



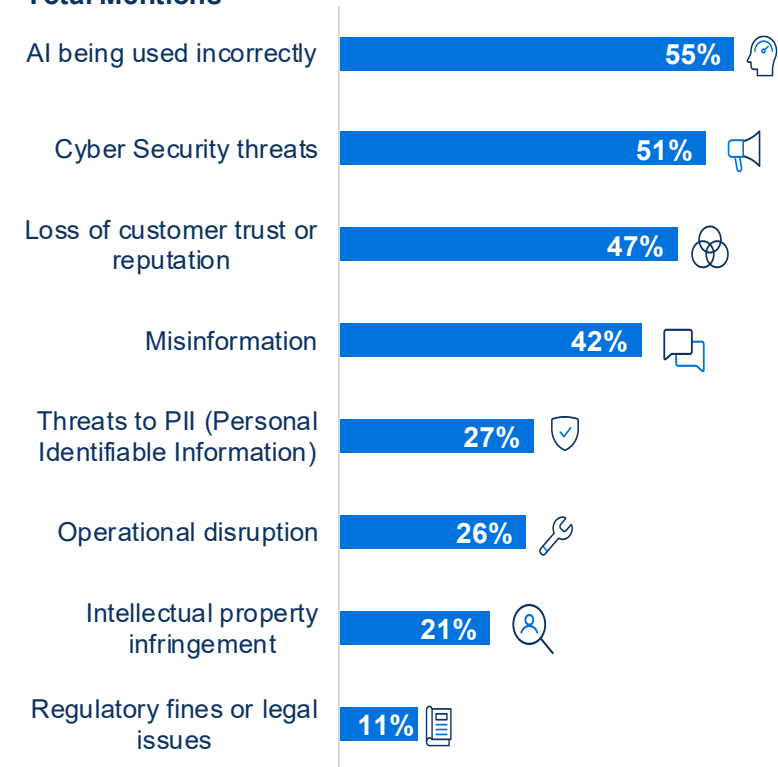
Our board understands what personal customer or employee data is collected, who has access to it and where it is stored



The pace of change in cyber security and digital transformation is faster than our organisation can keep up with



Which AI related risks could cause the most damage to your organisation? Total Mentions



New questions in 1H 2026 (No historical data available)

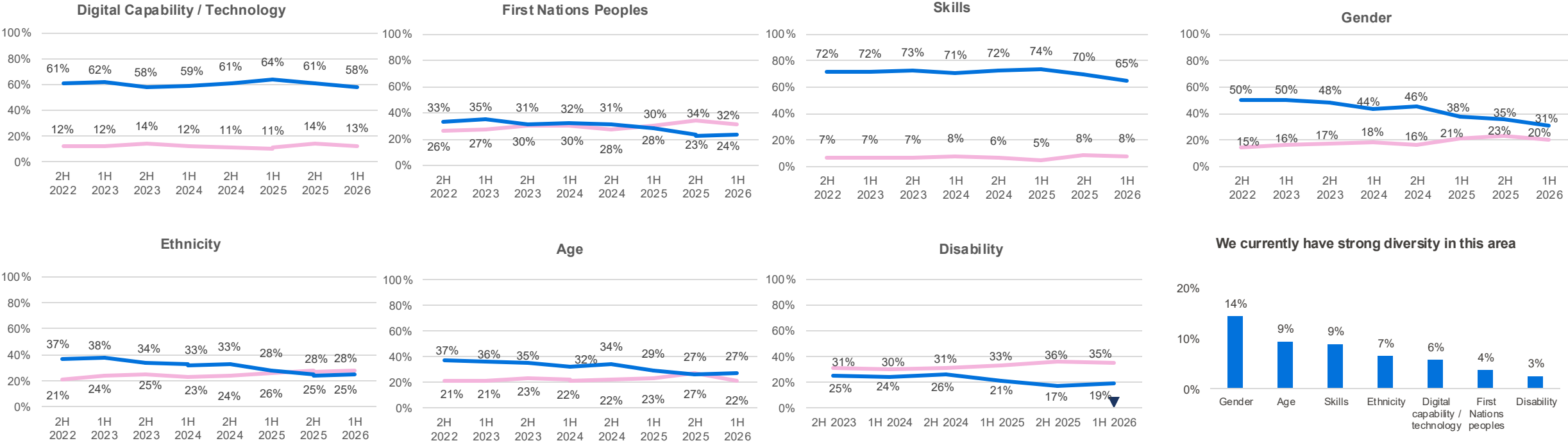
Source: Roy Morgan AICD Director Sentiment Index Survey 1st Half 2026. Base: AICD Directors 18+, n= 828.
 CYB1. To what extent do you agree or disagree with the following statements...?
 CYB3. Which of the following AI-related risks could cause the most damage to your organisation? (Please rank up to top 3 in order of importance, with 1 being the most important.)

Over half of directors are seeking to increase diversity in skills and digital capability /technology. Gender diversity continues to decline in focus, with 14% saying they already have strong gender diversity on their board.

More directors disagree than agree that their board is looking to increase diversity across ethnicity, First Nations peoples, or disability.

Is your board seeking to increase diversity in...

— Total Disagree (Strongly disagree + Somewhat disagree)
 — Total Agree (Strongly agree + Somewhat agree)



Note: Neutral (Neither strong nor weak, Neither Satisfied nor Dissatisfied, Neither Agree nor Disagree etc.) was a response option in the survey but it is not displayed in these charts.

New response option added in 1H 2026 'We currently have strong diversity in this area'. This affects comparability to previous waves, therefore significance testing has not been conducted.

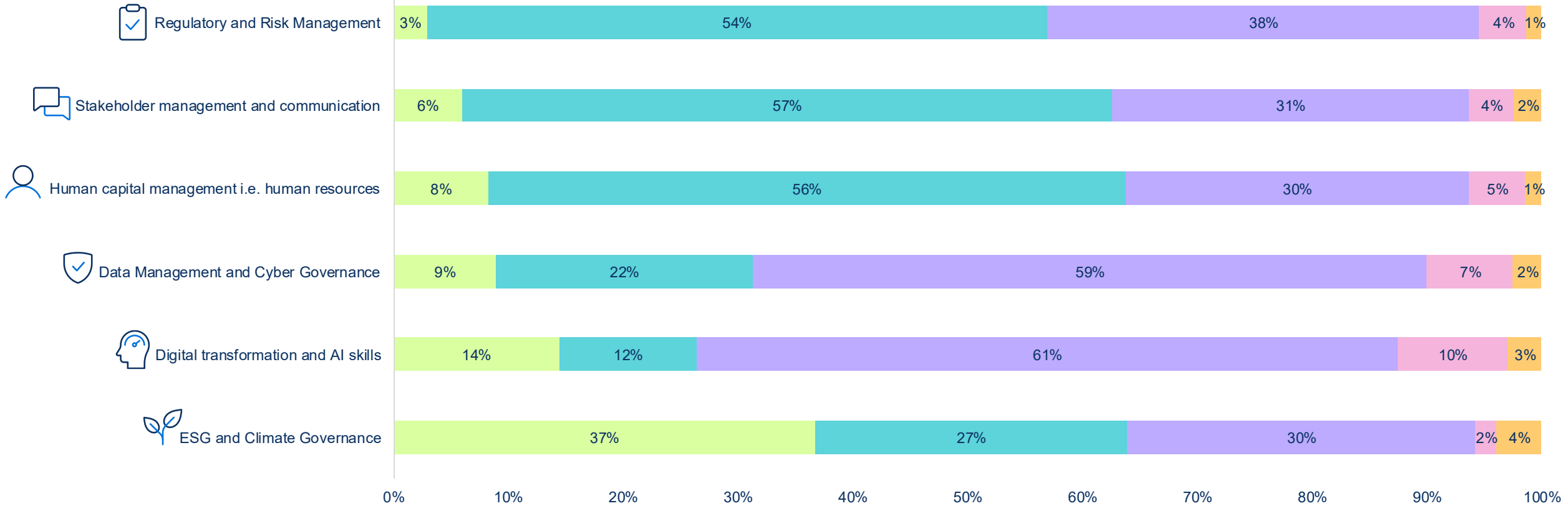
Source: Roy Morgan AICD Director Sentiment Index Survey 1st Half 2026. Base: AICD Directors 18+, n=828. BD2a. How much do you agree or disagree that your board is currently seeking to increase diversity in the following areas?

Around 60% of directors said they are currently developing board skills or experience in data management and cyber governance or digital transformation and AI

Over half of directors are confident that they have sufficient skills and experience in regulatory and risk management, stakeholder management and communication and human capital management amongst their board.

Key Skill Areas

■ Area is not a focus for our business
 ■ We already have sufficient skills/experience
 ■ Developing current board members skills or experience
 ■ Actively hiring in this area
 ■ Don't know / Can't say

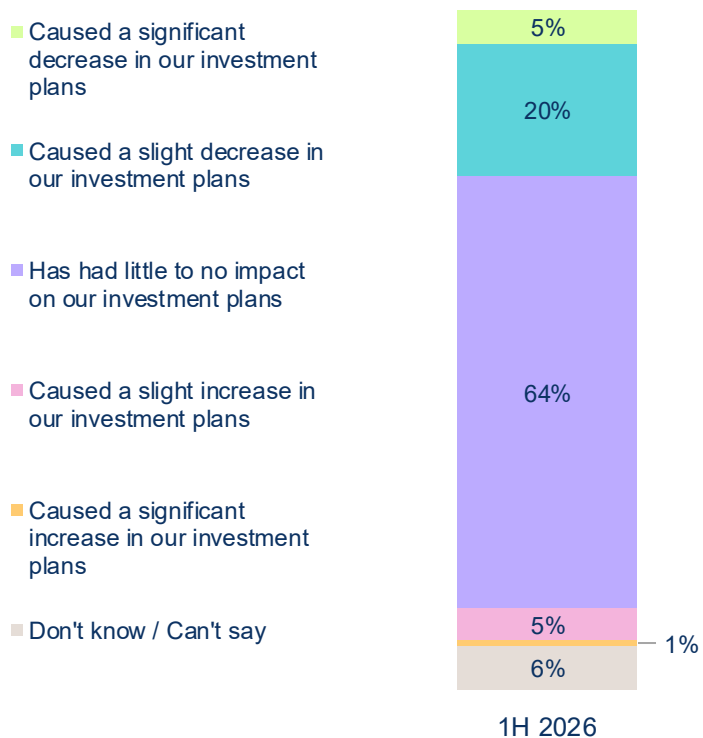


*New question in 1H 2026 (No historical data available)

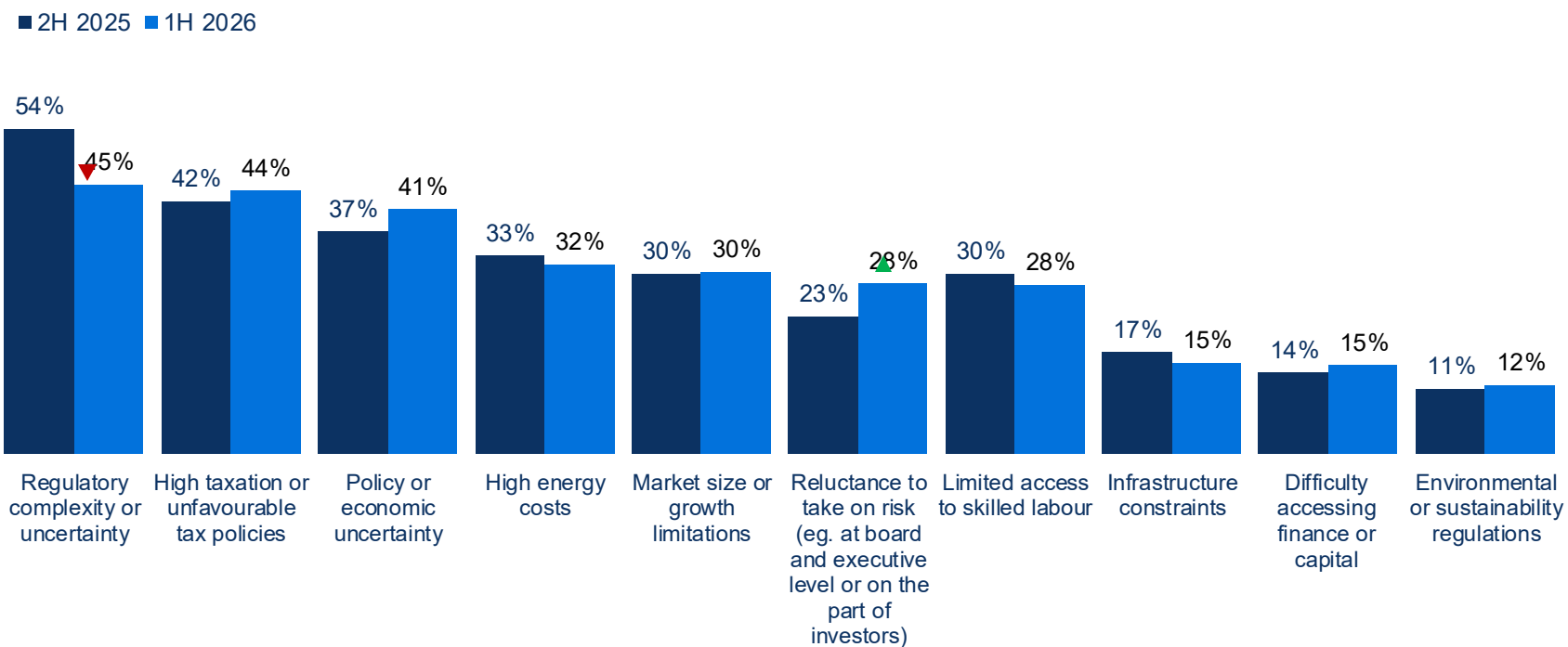
A quarter of directors say global economic conditions have caused them to reduce investment plans. While most reported minimal impact to date, the effect could be greater as a consequence of the Middle East conflict.

Regulatory complexity or uncertainty remains the biggest barrier to increasing business investment, followed by unfavourable tax policy and economic uncertainty.

Impact of the recent state of the global economy on company's investment plans *



Barriers to increasing business investment in Australia (Total Mentions)



* New question in 1H 2026 (No historical data available)

▲ ▼ Arrows represent significant increase or decrease at 95% or 99% confidence level since 2nd Half 2025 survey.

Source: Roy Morgan AICD Director Sentiment Index Survey 1st Half 2026. Base: AICD Directors 18+, n= 828
 ECON1. What impact (if any) has the recent state of the global economy had on your company's investment plans?
 Bus_invest1. What do you see as the most significant barriers to increasing business investment in Australia?
¹Environmental or sustainability concerns updated to regulations in 1H 2026

Australia's trade flows and supply chains seen as vulnerable to the impact of the Trump administration's use of economic diplomacy

44% of directors think global commodity prices will be affected by the Trump administration.

What do you see as the most significant ways the current Trump administration's use of economic diplomacy (e.g. tariffs, sanctions) will impact the Australian economy over the next 12 months? *

Total Mentions



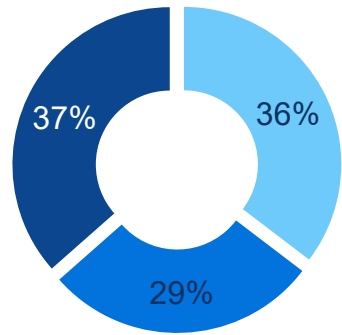
* New question in 1H 2026 (No historical data available)

Source: Roy Morgan AICD Director Sentiment Index Survey 1st Half 2026. Base: AICD Directors 18+, n= 828
 ECON2. What do you see as the most significant ways the current Trump administration's use of economic diplomacy (e.g. tariffs, sanctions) will impact the Australian economy over the next 12 months?
 Rank up to 3, where 1 is the most significant area of impact

Data Appendix

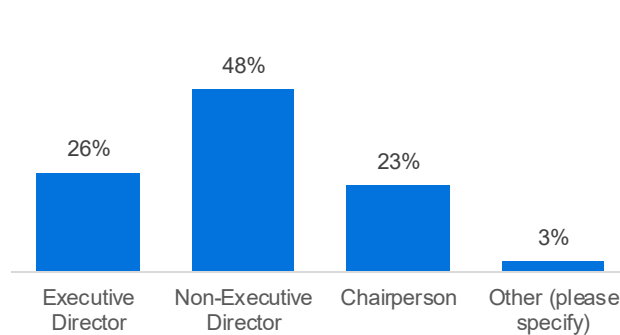
Number of current directorships, director position, company type and industry

Number of current directorships

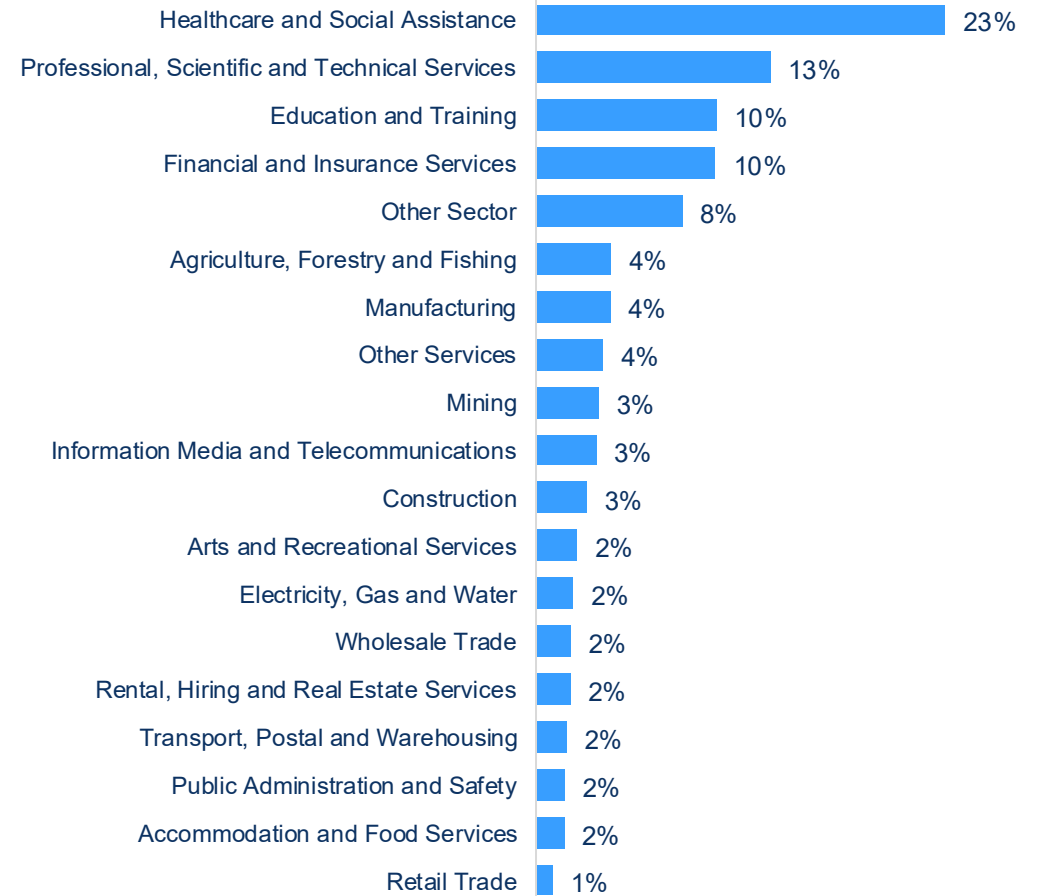


■ 3 or more ■ 2 ■ 1

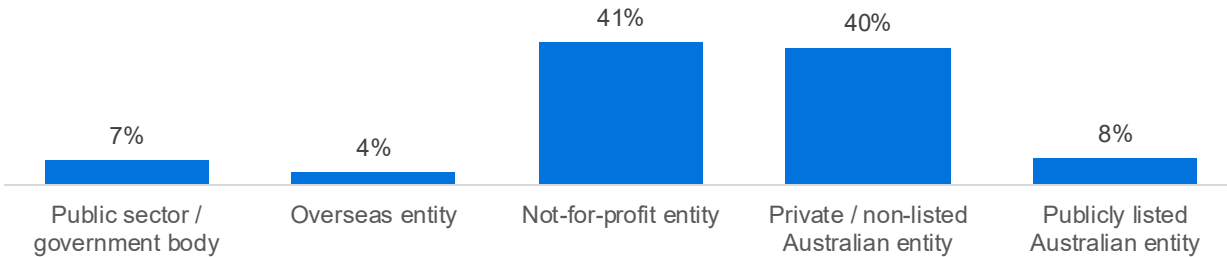
Positions held



Business Sector



Company type



Source: Roy Morgan AICD Director Sentiment Index Survey 1st Half 2026. Base: AICD Directors 18+, n= 828.

S1. To start with, can we just check your overall number of current directorships?

S2. With regard to your primary directorship, which position do you hold?

S3. With regard to your primary directorship, is it with a...

S8. Which business sector does your primary directorship fall into?

Economic Outlook

ECONOMIC OUTLOOK INDICATOR	NET BALANCE (%STRONG-%WEAK)									
	1 st HALF 2026	2 nd HALF 2025	1 st HALF 2025	2 nd HALF 2024	1 st HALF 2024	2 nd HALF 2023	1 st HALF 2023	2 nd HALF 2022	1 st HALF 2022	2 nd HALF 2021
Health of the Australian economy – current	-9	-9	-11	-32	+6	+1 0	+2 7	+3 4	+3 8	+4 2
Health of the state economy – current	-6	-16	-22	-27	+2	+4	+2 6	+2 6	+2 8	+2 7
Health of the Chinese economy – current	+26	+14	-9	-32	-27	-30	+1 3	-4	+4 9	+2 0
Health of the Asian (ex. China) economy – current	+41	+26	+26	+17	+2 2	+2 0	+1 8	+1 0	+2 6	+1 8
Health of the European economy – current	-21	-29	-36	-26	-25	-22	-40	-48	-24	-9
Health of the US economy – current	-13	-31	+13	-4	+1 9	+4	-3	-19	+1 6	+1 4

ECONOMIC OUTLOOK INDICATOR	NET BALANCE (%STRONG-%WEAK)									
	1 st HALF 2026	2 nd HALF 2025	1 st HALF 2025	2 nd HALF 2024	1 st HALF 2024	2 nd HALF 2023	1 st HALF 2023	2 nd HALF 2022	1 st HALF 2022	2 nd HALF 2021
Health of the NSW economy – current	+7	+7	-6	-18	+2	+19	+32	+33	+42	+55
Health of the VIC economy – current	-70	-76	-77	-76	-41	-48	+7	+1	+3	-18
Health of the QLD economy – current	+26	+1	-12	-22	+13	+13	+20	+22	+8	+1
Health of the SA economy – current	+24	+12	+10	0	+5	+9	+14	+14	+20	+26
Health of the WA economy – current	+80	+69	+74	+66	+71	+89	+83	+82	+84	+82
Health of the TAS* economy – current	-73	-46	-61	-67	+4	+12	+29	+34	+62	+68
Health of the ACT* economy – current	-50	-22	-30	-16	+8	+13	+37	+50	+52	+48
Health of the NT* economy – current	-67	-50	-78	-87	-80	-54	-52	-15	-19	-18

ECONOMIC OUTLOOK INDICATOR	NET BALANCE (%STRONG-%WEAK)									
	1 st HALF 2026	2 nd HALF 2025	1 st HALF 2025	2 nd HALF 2024	1 st HALF 2024	2 nd HALF 2023	1 st HALF 2023	2 nd HALF 2022	1 st HALF 2022	2 nd HALF 2021
Health of the Australian economy – future (N12M**)	-14	-10	-3	-28	+7	+2	+7	+1 5	+3 8	+53
Health of the state economy – future (N12M)	-9	-17	-16	-27	0	-5	+1 0	+1 1	+3 2	+46
Health of the Chinese economy – future (N12M)	+27	+20	+2	-25	-18	-21	+2 1	-8	+4 5	+24
Health of the Asian (ex. China) economy – future (N12M)	+38	+24	+25	+15	+2 2	+1 7	+1 8	0	+2 8	+29
Health of the European economy – future (N12M)	-12	-22	-28	-19	-16	-17	-29	-42	-28	+12
Health of the US economy – future (N12M)	-20	-36	+7	0	+1 5	+2	-3	-22	+1 4	+29

ECONOMIC OUTLOOK INDICATOR	NET BALANCE (%STRONG-%WEAK)									
	1 st HALF 2026	2 nd HALF 2025	1 st HALF 2025	2 nd HALF 2024	1 st HALF 2024	2 nd HALF 2023	1 st HALF 2023	2 nd HALF 2022	1 st HALF 2022	2 nd HALF 2021
Health of the NSW economy – future (N12M)	-3	-1	-6	-20	+13	+6	+7	+14	+41	+69
Health of the VIC economy – future (N12M)	-69	-68	-69	-69	-40	-51	-6	-14	+12	+24
Health of the QLD economy – future (N12M)	+28	+3	+9	-18	+10	+1	+7	+10	+21	+19
Health of the SA economy – future (N12M)	+22	+11	+22	+6	+11	+8	-2	+2	+32	+34
Health of the WA economy – future (N12M)	+69	+58	+60	+42	+53	+70	+70	+63	+79	+75
Health of the TAS* economy – future (N12M)	-79	-75	-44	-61	-17	+2	+10	+28	+53	+72
Health of the ACT* economy – future (N12M)	-46	-33	-16	-14	-7	+8	+25	+39	+47	+51
Health of the NT* economy – future (N12M)	-34	-19	-24	-78	-82	-46	-52	+2	+2	+3

Source: Roy Morgan AICD Director Sentiment Index Survey 1st Half 2026.

Base: AICD Directors 1st Half 2026 18+ Base n=828. NSW n=263, VIC n=211, QLD n=150, SA n=51, WA n=78, TAS n=18*, ACT n=28*, NT n=9*. AICD Directors 2nd Half 2025 18+ Base n=1,072. NSW n=325, VIC n=322, QLD n=149, SA n=74, WA n=100, TAS n=24*, ACT n=36*, NT n=16*. Base: AICD Directors 1st Half 2025 18+ Base n=1,127. NSW n=339, VIC n=337, QLD n=171, SA n=72, WA n=109, TAS n=20*, ACT n=34*, NT n=19*. Base: AICD Directors 2nd Half 2024 18+; n=1,309. NSW n=379, VIC n=371, QLD n=225, SA n=71, WA n=128, TAS n=29*, ACT n=47*, NT n=22*. Base: AICD Directors 1st Half 2024 18+; n=1,087. NSW n=332, VIC n=279, QLD n=192, SA n=59, WA n=109, TAS n=21*, ACT n=41*, NT n=16*. Base: AICD Directors 2nd Half 2023 18+; n=1,324. NSW n=394, VIC n=338, QLD n=222, SA n=88, WA n=146, TAS n=38, ACT n=42, NT n=12. Base: AICD Directors 1st Half 2023 18+; n=1,324. NSW n=394, VIC n=338, QLD n=222, SA n=88, WA n=146, TAS n=38*, ACT n=42*, NT n=12*. Base: AICD Directors 2nd Half 2022 18+; n=1,475. NSW n=443, VIC n=387, QLD n=234, SA n=98, WA n=156, TAS n=38, ACT n=53, NT n=17. Base: AICD Directors 1st Half 2022 18+; n=1,737. NSW n=525, VIC n=433, QLD n=240, SA n=133, WA n=190, TAS n=48, ACT n=58, NT n=20. Base: AICD Directors 2nd Half 2021 18+; n=1,645. NSW n=521, VIC n=411, QLD n=260, SA n=92, WA n=197, TAS n=33, ACT n=54, NT n=11*. * Indicates small base <50 **N12M is Next 12 months.

Business Conditions

BUSINESS CONDITIONS INDICATOR	NET BALANCE (%STRONG-%WEAK)									
	1 st HALF 2026	2 nd HALF 2025	1 st HALF 2025	2 nd HALF 2024	1 st HALF 2024	2 nd HALF 2023	1 st HALF 2023	2 nd HALF 2022	1 st HALF 2022	2 nd HALF 2021
Assessment of AUS business conditions – current	-11	-14	-11	-26	-2	+2	+15	+26	+28	+31
Assessment of NSW business conditions – current	-9	-9	-10	-24	-3	+4	+13	+22	+27	+38
Assessment of VIC business conditions – current	-61	-65	-60	-60	-30	-38	+4	+5	+6	-7
Assessment of QLD business conditions – current	+15	-5	-8	-27	+4	-6	+8	+23	+20	+20
Assessment of SA business conditions – current	+4	+8	+15	-14	-2	+7	+19	+16	+25	+25
Assessment of WA business conditions – current	+57	+37	+37	+27	+34	+58	+57	+56	+69	+70
Assessment of TAS* business conditions – current	-67	-62	-45	-53	+3	+32	+33	+14	+49	+69
Assessment of ACT* business conditions – current	-50	-33	-11	-40	-13	+11	+12	+35	+42	+31
Assessment of NT* business conditions – current	-12	-19	-52	-82	-59	-41	+12	-1	0	0

BUSINESS CONDITIONS INDICATOR	NET BALANCE (%STRONG-%WEAK)									
	1 st HALF 2026	2 nd HALF 2025	1 st HALF 2025	2 nd HALF 2024	1 st HALF 2024	2 nd HALF 2023	1 st HALF 2023	2 nd HALF 2022	1 st HALF 2022	2 nd HALF 2021
Assessment of AUS business conditions – future (N12M)	-15	-12	-5	-24	+3	-2	+11	+15	+30	+50
Assessment of NSW business conditions – future (N12M)	-14	-7	-8	-19	+7	-2	+8	+13	+33	+63
Assessment of VIC business conditions – future (N12M)	-63	-63	-59	-65	-34	-43	-5	-4	+10	+20
Assessment of QLD business conditions – future (N12M)	+18	-5	+8	-22	+10	-6	+8	+14	+16	+26
Assessment of SA business conditions – future (N12M)	+3	+5	+8	-7	+4	+6	+11	+7	+23	+33
Assessment of WA business conditions – future (N12M)	+53	+38	+41	+24	+36	+57	+56	+55	+70	+68
Assessment of TAS* business conditions – future (N12M)	-57	-58	-59	-53	+5	+4	+9	+36	+46	+53
Assessment of ACT* business conditions – future (N12M)	-61	-53	-13	-41	-9	+4	+15	+29	+46	+47
Assessment of NT* business conditions – future (N12M)	-13	-31	-37	-60	-61	-38	-27	-10	+25	+16

Source: Roy Morgan AICD Director Sentiment Index Survey 1st Half 2026.

Base: AICD Directors 1st Half 2026 18+ Base n=828. NSW n=263, VIC n=211, QLD n=150, SA n=51, WA n=78, TAS n=18*, ACT n=28*, NT n=9*. Base: AICD Directors 2nd Half 2025 18+ Base n=1,072. NSW n=325, VIC n=322, QLD n=149, SA n=74, WA n=100, TAS n=24*, ACT n=36*, NT n=16*. Base: AICD Directors 1st Half 2025 18+ Base n=1,127. NSW n=339, VIC n=337, QLD n=171, SA n=72, WA n=109, TAS n=20*, ACT n=34*, NT n=19*. Base: AICD Directors 2nd Half 2024 18+; n=1,309. NSW n=379, VIC n=371, QLD n=225, SA n=71, WA n=128, TAS n=29*, ACT n=47*, NT n=22*. Base: AICD Directors 1st Half 2024 18+; n=1,087. NSW n=332, VIC n=279, QLD n=192, SA n=59, WA n=109, TAS n=21*, ACT n=41*, NT n=16*. Base: AICD Directors 2nd Half 2023 18+; n=1,324. NSW n=394, VIC n=338, QLD n=222, SA n=88, WA n=146, TAS n=38, ACT n=42, NT n=12. Base: AICD Directors 1st Half 2023 18+; n=1,324. NSW n=394, VIC n=338, QLD n=222, SA n=88, WA n=146, TAS n=38*, ACT n=42*, NT n=12*. Base: AICD Directors 2nd Half 2022 18+; n=1,475. NSW n=443, VIC n=387, QLD n=234, SA n=98, WA n=156, TAS n=38, ACT n=53, NT n=17. Base: AICD Directors 1st Half 2022 18+; n=1,737. NSW n=525, VIC n=433, QLD n=240, SA n=133, WA n=190, TAS n=48, ACT n=58, NT n=20. Base: AICD Directors 2nd Half 2021 18+; n=1,645. NSW n=521, VIC n=411, QLD n=260, SA n=92, WA n=197, TAS n=33, ACT n=54, NT n=11. * Indicates small base <50 **N12M is Next 12 months.

Business Conditions & Micro/Structural Policy Settings

BUSINESS CONDITIONS INDICATOR (TOP ECONOMIC CHALLENGES)	% OF TOTAL MENTIONS									
	1 st HALF 2026	2 nd HALF 2025	1 st HALF 2025	2 nd HALF 2024	1 st HALF 2024	2 nd HALF 2023	1 st HALF 2023	2 nd HALF 2022	1 st HALF 2022	2 nd HALF 2021
Cost of living	27%	29%	32%	43%	40%	42%	33%	24%	N/A	N/A
Labour shortages	21%	21%	22%	29%	35%	43%	52%	60%	60%	55%
Productivity growth	41%	42%	34%	36%	34%	32%	16%	17%	24%	22%
Inflation and high interest rates	24%	6%	21%	42%	28%	39%	56%	49%	N/A	N/A
Regulation requirements / red tape	29%	35%	25%	23%	24%	19%	17%	12%	20%	23%
Global economic uncertainty	34%	39%	37%	24%	22%	22%	27%	28%	55%	30%
Climate change	10%	13%	13%	16%	21%	26%	18%	22%	34%	38%
Energy policy	14%	21%	22%	19%	21%	25%	24%	20%	21%	22%
Industrial relations	10%	14%	14%	20%	21%	-	-	-	-	-
Taxation system	15%	16%	12%	13%	17%	12%	11%	7%	11%	13%
Supply chain challenges	8%	7%	7%	9%	15%	14%	23%	33%	N/A	N/A
Government debt levels	18%	16%	14%	14%	9%	12%	8%	9%	13%	14%
Trade with China	2%	4%	5%	6%	6%	8%	9%	10%	23%	30%
Global protectionism	8%	14%	17%	3%	4%	2%	2%	2%	6%	7%
Domestic economic conditions	19%	20%	19%	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Other	2%	2%	4%	-	4%	3%	2%	2%	3%	3%

MICRO/STRUCTURAL INDICATOR	NET BALANCE (%AGREED-%DISAGREED)									
	1 st HALF 2026	2 nd HALF 2025	1 st HALF 2025	2 nd HALF 2024	1 st HALF 2024	2 nd HALF 2023	1 st HALF 2023	2 nd HALF 2022	1 st HALF 2022	2 nd HALF 2021
Federal government understands business	-29	-31	-31	-38	-29	-21	-11	-2	+6	+7
NSW government understands business	+8	+3	+3	-2	-11	-10	+30	+25	+29	+61
VIC government understands business	-64	-65	-56	-60	-39	-48	-12	-18	-23	-22
QLD government understands business	+26	+31	+35	-51	-49	-57	-52	-48	-40	-40
SA government understands business	+46	+20	+43	+13	+7	+2	+7	+7	+39	+22
WA government understands business	+18	-1	+7	+1	-6	+14	+16	+22	+11	+13
TAS* government understands business	-45	-46	-56	-8	+21	+15	+29	+37	+45	+54
ACT* government understands business	-60	-28	-14	-29	-21	-47	-14	-10	+4	+11
NT* government understands business	+11	+12	+4	-15	-37	-15	-42	-20	-46	-26

BUSINESS CONDITIONS INDICATOR	NET BALANCE (%INCREASE-%DECREASE)									
	1 st HALF 2026	2 nd HALF 2025	1 st HALF 2025	2 nd HALF 2024	1 st HALF 2024	2 nd HALF 2023	1 st HALF 2023	2 nd HALF 2022	1 st HALF 2022	2 nd HALF 2021
Investment Levels	+12	+16	+16	+6	+13	+13	+13	+15	+36	+54
Staffing Levels / Labour Demands	+15	+13	+12	+4	+18	+22	+28	+45	+57	+60
Wage Levels	+59	+57	+58	+54	+65	+69	+72	+78	+72	+67
Costs (e.g. raw materials, energy)	+86	+82	+82	+81	+82	+83	+86	+89	+89	+83
Turnover / Sales	+41	+33	+34	+23	+32	+31	+35	+43	+56	+66
Profitability	0	+3	+5	-11	+1	-3	+1	+1	+15	+32
Regulatory Compliance Requirements	+73	+73	+65	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Digital and Artificial Intelligence Focus	+83	+82	+78	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Debt Levels	+22	+21	+20	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Innovation and R&D	+36	+35	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

MICRO/STRUCTURAL INDICATOR	NET BALANCE (%AGREED-%DISAGREED)									
	1 st HALF 2026	2 nd HALF 2025	1 st HALF 2025	2 nd HALF 2024	1 st HALF 2024	2 nd HALF 2023	1 st HALF 2023	2 nd HALF 2022	1 st HALF 2022	2 nd HALF 2021
Trust in Federal Government	-28	-26	-28	-29	-26	-23	-10	+1	-22	-17
Trust in NSW government	+8	+7	+5	+1	-14	-10	-2	-6	-1	+34
Trust in VIC government	-72	-65	-58	-61	-38	-54	-18	-26	-19	-23
Trust in QLD government	+16	+5	+17	-54	-54	-66	-55	-50	-45	-42
Trust in SA government	+36	+26	+46	+10	-1	+9	+11	+11	+28	+24
Trust in WA government	+4	-7	-3	-2	-15	+6	-7	+12	0	+2
Trust in TAS* government	-56	-29	-37	-25	+1	+5	+18	+27	+26	+68
Trust in ACT* government	-60	-22	-6	-25	-19	-37	-15	-4	+2	+33
Trust in NT* government	-46	-38	-2	-24	-49	-41	-71	+4	-35	-24

Source: Roy Morgan AICD Director Sentiment Index Survey 1st Half 2026.
 Base: AICD Directors 1st Half 2026 18+ Base n=828. NSW n=263, VIC n=211, QLD n=150, SA n=51, WA n=78, TAS n=18*, ACT n=28*, NT n=9*. Base: AICD Directors 2nd Half 2025 18+ Base n=1,072. NSW n=325, VIC n=322, QLD n=149, SA n=74, WA n=100, TAS n=24*, ACT n=36*, NT n=16*. Base: AICD Directors 1st Half 2025 18+ Base n=1,127. NSW n=338, VIC n=337, QLD n=171, SA n=72, WA n=109, TAS n=20*, ACT n=34*, NT n=19*. Base: AICD Directors 2nd Half 2024 18+; n=1,309. NSW n=379, VIC n=371, QLD n=225, SA n=71, WA n=128, TAS n=29*, ACT n=47*, NT n=22*. Base: AICD Directors 1st Half 2024 18+; n=1,087. NSW n=332, VIC n=279, QLD n=192, SA n=59, WA n=109, TAS n=21*, ACT n=41*, NT n=16*. Base: AICD Directors 2nd Half 2023 18+; n=1,324. NSW n=394, VIC n=338, QLD n=222, SA n=88, WA n=146, TAS n=38, ACT n=42, NT n=12. Base: AICD Directors 1st Half 2023 18+; n=1,324. NSW n=394, VIC n=338, QLD n=222, SA n=88, WA n=146, TAS n=38*, ACT n=42*, NT n=12*. Base: AICD Directors 2nd Half 2022 18+; n=1,475. NSW n=443, VIC n=387, QLD n=234, SA n=98, WA n=156, TAS n=38, ACT n=53, NT n=17. Base: AICD Directors 1st Half 2022 18+; n=1,737. NSW n=525, VIC n=433, QLD n=240, SA n=133, WA n=190, TAS n=48, ACT n=58, NT n=20. Base: AICD Directors 2nd Half 2021 18+; n=1,645. NSW n=521, VIC n=411, QLD n=260, SA n=92, WA n=197, TAS n=33, ACT n=54, NT n=11. * Indicates small base <50 **N12M is Next 12 months. Total mentions = Percentage of respondents who nominated this as a top 3 issue

Micro/Structural & Macro Policy Settings

MICRO/STRUCTURAL INDICATOR	NET BALANCE (%SATISFIED-%DISSATISFIED)									
	1 st HALF 2026	2 nd HALF 2025	1 st HALF 2025	2 nd HALF 2024	1 st HALF 2024	2 nd HALF 2023	1 st HALF 2023	2 nd HALF 2022	1 st HALF 2022	2 nd HALF 2021
Corporate taxation / company tax rates	-40	-37	-30	-27	-29	-29	-20	-20	-19	-18
Personal taxation / personal income tax	-52	-46	-39	-35	-41	-36	-33	-30	-30	-28
GST	-15	-12	-2	-6	-8	-5	+3	+2	0	+3
Government spending on infrastructure	-28	-24	-24	-18	-19	-15	-3	-2	-6	+10
Government openness to foreign investment	-8	-5	-4	-6	-2	-2	+8	+7	+3	+4
Support for international trade	+3	-2	+10	+2	+2	+10	+16	+12	+11	+10
Gov. spending on education and training	-43	-42	-40	-42	-40	-34	-40	-40	-41	-32
Gov. support for innovation and R&D	-53	-48	-45	-46	-43	-44	-40	-40	-40	-37
Climate and Energy Policy**	-47	-49	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

MACRO POLICY INDICATOR	NET BALANCE (%AGREED-%DISAGREED)							
	1 st HALF 2026	2 nd HALF 2025	1 st HALF 2025	2 nd HALF 2024	1 st HALF 2024	2 nd HALF 2023	1 st HALF 2023	2 nd HALF 2022
The RBA's cautious approach to lowering interest rate in 2025 was appropriate***	+48	+44	N/A	N/A	N/A	N/A	N/A	N/A
The RBA lowering interest rates would have a positive impact on the economy***	+17	+54	+54	+50	+53	N/A	N/A	N/A
Current monetary policies will cause a major uptick in business insolvency	+18	+4	+18	+41	+29	+38	+44	+34

MACRO POLICY INDICATOR	NET BALANCE (%POSITIVE-%NEGATIVE)									
	1 st HALF 2026	2 nd HALF 2025	1 st HALF 2025	2 nd HALF 2024	1 st HALF 2024	2 nd HALF 2023	1 st HALF 2023	2 nd HALF 2022	1 st HALF 2022	2 nd HALF 2021
Impact on business of current Federal fiscal policy settings	-52	-44	-37	-40	-33	-28	-29	-22	-14	-11
Impact on business of current state fiscal policy settings	-42	-42	-39	-42	-36	-36	-27	-23	-15	-8
Impact on business of current RBA monetary policy	-12	+1	-14	-27	-24	-29	-36	-32	+14	+19
Impact on business of current level of the Australian dollar	-2	-15	-24	-16	-15	-29	-9	-13	+3	+6
Impact on business of the availability of business credit	-1	-9	-5	-12	-12	-16	-12	-10	+9	+13
Inflationary Pressures and High Costs	-83	-76	-73	N/A	N/A	N/A	N/A	N/A	N/A	N/A

MACRO POLICY INDICATOR	NET BALANCE (%POSITIVE-%NEGATIVE)									
	1 st HALF 2026	2 nd HALF 2025	1 st HALF 2025	2 nd HALF 2024	1 st HALF 2024	2 nd HALF 2023	1 st HALF 2023	2 nd HALF 2022	1 st HALF 2022	2 nd HALF 2021
NSW policy settings affect on business	-36	-30	-29	-33	-31	-29	-14	-11	-7	+14
VIC policy settings affect on business	-78	-71	-74	-67	-54	-60	-36	-31	-24	-28
QLD policy settings affect on business	-20	-21	-22	-49	-46	-42	-45	-49	-33	-34
SA policy settings affect on business	-10	-36	-9	-18	-20	-21	-25	-17	-3	+5
WA policy settings affect on business	-22	-20	-15	-15	-12	-2	-20	-14	-12	0
TAS* policy settings affect on business	-61	-75	-75	-53	-36	-16	-24	-14	+15	+39
ACT* policy settings affect on business	-64	-47	-35	-26	-29	-42	-20	-26	-5	-12
NT* policy settings affect on business	-54	-50	-45	-63	-46	-58	-64	-35	-32	-18

Source: Roy Morgan AICD Director Sentiment Index Survey 1st Half 2026.

Base: AICD Directors 1st Half 2026 18+ Base n=828. NSW n=263, VIC n=211, QLD n=150, SA n=51, WA n=78, TAS n=18*, ACT n=28*, NT n=9*. Base: AICD Directors 2nd Half 2025 18+ Base n=1,072. NSW n=325, VIC n=322, QLD n=149, SA n=74, WA n=100, TAS n=24*, ACT n=36*, NT n=16*. Base: AICD Directors 1st Half 2025 18+ Base n=1,127. NSW n=339, VIC n=337, QLD n=171, SA n=72, WA n=109, TAS n=20*, ACT n=34*, NT n=19*. Base: AICD Directors 2nd Half 2024 18+; n=1,309. NSW n=379, VIC n=371, QLD n=225, SA n=71, WA n=128, TAS n=29*, ACT n=47*, NT n=22*. Base: AICD Directors 1st Half 2024 18+; n=1,087. NSW n=332, VIC n=279, QLD n=192, SA n=59, WA n=109, TAS n=21*, ACT n=41*, NT n=16*. Base: AICD Directors 2nd Half 2023 18+; n=1,324. NSW n=394, VIC n=338, QLD n=222, SA n=88, WA n=146, TAS n=38, ACT n=42, NT n=12. Base: AICD Directors 1st Half 2023 18+; n=1,324. NSW n=394, VIC n=338, QLD n=222, SA n=88, WA n=146, TAS n=38*, ACT n=42*, NT n=12*. Base: AICD Directors 2nd Half 2022 18+; n=1,475. NSW n=443, VIC n=387, QLD n=234, SA n=98, WA n=156, TAS n=38, ACT n=53, NT n=17. Base: AICD Directors 1st Half 2022 18+; n=1,737. NSW n=525, VIC n=433, QLD n=240, SA n=133, WA n=190, TAS n=48, ACT n=58, NT n=20. Base: AICD Directors 2nd Half 2021 18+; n=1,645. NSW n=521, VIC n=411, QLD n=260, SA n=92, WA n=197, TAS n=33, ACT n=54, NT n=11. * Indicates small base <50. **New items added in 2H 2025. ***Item changed in 1H 2026.

Directorship Conditions & Topical / Deep-Dive Issues

DIRECTORSHIP CONDITIONS INDICATOR	NET BALANCE (%AGREED-%DISAGREED)									
	1 st HALF 2026	2 nd HALF 2025	1 st HALF 2025	2 nd HALF 2024	1 st HALF 2024	2 nd HALF 2023	1 st HALF 2023	2 nd HALF 2022	1 st HALF 2022	2 nd HALF 2021
Current governance regulations are appropriately balanced	-10	-16	-2	+7	+7	+9	+13	+17	N/A	N/A
Current level of corporate reporting requirements is satisfactory	+7	+7	+10	+21	+20	+21	+30	+30	+30	+32
Current level of diversity on Australian boards is satisfactory	-18	-18	-12	-22	-23	-24	-29	-30	-33	-33
Current director liability provisions have a negative impact on decision making	-3	+4	+2	+1	+5	+4	+3	-2	+3	+6
My board faces difficulties recruiting new talented directors	+4	+3	+7	+3	+7	+9	+11	+9	+10	N/A
Regulatory and compliance requirements are limiting productivity growth in our business*	+54	+52	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Investment in innovation and R&D will enhance productivity in our business over the next year*	+52	+50	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

BOARD DIVERSITY TOPICAL / DEEP-DIVE INDICATOR	NET BALANCE (%AGREED-%DISAGREED)									
	1 st HALF 2026	2 nd HALF 2025	1 st HALF 2025	2 nd HALF 2024	1 st HALF 2024	2 nd HALF 2023	1 st HALF 2023	2 nd HALF 2022	1 st HALF 2022	2 nd HALF 2021
Gender	+11	+12	+17	+30	+26	+31	+33	+35	+36	+38
Age	+5	0	+6	+12	+10	+12	+15	+17	+18	+18
Skills	+57	+61	+70	+66	+64	+66	+65	+65	+66	+66
Ethnicity	-3	-3	+2	+9	+10	+9	+14	+16	+20	+15
Digital capability / technology	+45	+47	+53	+50	+47	+44	+50	+49	+44	+45
First Nations people	-8	-11	-2	+3	+2	+1	+8	+7	N/A	N/A
Disability	-16	-19	-12	-5	-6	-6	N/A	N/A	N/A	N/A

TOPICAL/DEEP-DIVE INDICATOR (ISSUES KEEP YOU AWAKE)	TOTAL MENTIONS									
	1 st HALF 2026	2 nd HALF 2025	1 st HALF 2025	2 nd HALF 2024	1 st HALF 2024	2 nd HALF 2023	1 st HALF 2023	2 nd HALF 2022	1 st HALF 2022	2 nd HALF 2021
Cyber-crime / data security	29%	34%	30%	39%	43%	45%	50%	37%	43%	
Legal and regulatory compliance	31%	29%	32%	34%	30%	30%	32%	27%	26%	
Domestic economic conditions	34%	28%	32%	39%	28%	N/A	N/A	N/A	N/A	
Corporate culture	20%	18%	20%	22%	21%	22%	22%	21%	22%	
Reputation and crisis management	22%	22%	22%	N/A	N/A	N/A	N/A	N/A	N/A	
Labour shortages	12%	12%	14%	17%	21%	22%	30%	33%	28%	
Level of personal liability for directors	13%	15%	16%	19%	20%	19%	19%	18%	14%	
CEO succession	18%	17%	18%	17%	20%	18%	22%	18%	20%	
Global economic conditions	18%	20%	23%	20%	17%	23%	23%	27%	28%	
Attracting new talent	14%	14%	17%	16%	18%	20%	21%	26%	24%	
Global conflicts	13%	14%	15%	11%	17%	23%	23%	27%	28%	
Impact of Artificial Intelligence (AI)	26%	24%	16%	15%	14%	14%	N/A	N/A	N/A	
Industrial relations	7%	8%	9%	13%	13%	10%	7%	8%	N/A	
Risk of insolvency	13%	12%	15%	15%	13%	N/A	N/A	N/A	N/A	
Climate change	7%	8%	10%	13%	11%	20%	13%	18%	20%	
Climate / sustainability reporting	2%	3%	2%	4%	5%	6%	5%	5%	N/A	
Low productivity*	19%	17%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
Attracting funding / Government funding	1%	1%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
No other concerns	0%	0%	N/A	1%	0%	0%	N/A	N/A	0%	
Other	3%	4%	6%	5%	3%	5%	4%	4%	3%	
None	0%	1%	1%	1%	1%	1%	1%	1%	2%	

Source: Roy Morgan AICD Director Sentiment Index Survey 1st Half 2026.

Base: AICD Directors 1st Half 2026 18+ Base n=828. NSW n=263, VIC n=211, QLD n=150, SA n=51, WA n=78, TAS n=18*, ACT n=28*, NT n=9*. Base: AICD Directors 2nd Half 2025 18+ Base n=1,072; Base: AICD Directors 1st Half 2025 18+ Base n=1,127; Base AICD Directors 2nd Half 2024 18+; n=1,309; Base AICD Directors 1st Half 2024 18+ Base: n=1,087; Base AICD Directors 2nd Half 2023 n=1,324; Base AICD Directors 1st Half 2023 n=1,324; Base AICD Directors 2nd Half 2022 n=1,475; Base AICD Directors 1st Half 2022 n=1,737; Base AICD Directors 2nd Half 2021 n=1,645. Total mentions = Percentage of respondents who nominated this as a top 3 issue. *Changed from Low / Poor enterprise productivity in 1H 2026

Topical / Deep-Dive Issues

TOPICAL INDICATOR (TOP ISSUES GOVERNMENT SHOULD ADDRESS)	TOTAL MENTIONS SHORT-TERM										TOTAL MENTIONS LONG-TERM									
	1 st HALF 2026	2 nd HALF 2025	1 st HALF 2025	2 nd HALF 2024	1 st HALF 2024	2 nd HALF 2023	1 st HALF 2023	2 nd HALF 2022	1 st HALF 2022	2 nd HALF 2021	1 st HALF 2026	2 nd HALF 2025	1 st HALF 2025	2 nd HALF 2024	1 st HALF 2024	2 nd HALF 2023	1 st HALF 2023	2 nd HALF 2022	1 st HALF 2022	2 nd HALF 2021
Housing affordability/ housing supply	33%	28%	33%	33%	35%	34%	28%	22%	19%	22%	22%	18%	19%	20%	21%	19%	15%	13%	14%	15%
Productivity growth	43%	39%	35%	35%	31%	32%	23%	25%	20%	23%	33%	28%	30%	28%	23%	24%	20%	20%	18%	22%
Taxation reform	31%	26%	22%	23%	26%	23%	21%	19%	21%	26%	21%	21%	19%	21%	22%	20%	19%	17%	14%	20%
Lack of skills in workforce/ skills shortages	16%	18%	24%	23%	25%	26%	34%	43%	36%	41%	13%	15%	13%	15%	16%	15%	18%	20%	18%	18%
Energy policy	19%	23%	26%	25%	24%	32%	30%	26%	24%	27%	18%	20%	22%	22%	20%	24%	21%	21%	20%	22%
Climate change	13%	18%	17%	22%	21%	32%	27%	33%	39%	48%	24%	29%	28%	33%	36%	41%	42%	44%	50%	59%
Education	6%	10%	10%	12%	14%	12%	15%	12%	16%	17%	10%	12%	13%	13%	17%	14%	17%	17%	18%	20%
Health	10%	12%	12%	14%	13%	12%	19%	16%	16%	17%	12%	15%	14%	15%	13%	14%	18%	16%	15%	16%
Defence	9%	13%	11%	7%	12%	8%	12%	11%	10%	0%	15%	16%	16%	13%	17%	11%	16%	15%	11%	0%
Cyber security threats	6%	11%	13%	15%	17%	N/A	N/A	N/A	N/A	N/A	5%	8%	7%	8%	11%	N/A	N/A	N/A	N/A	N/A
Industrial relations	7%	9%	13%	15%	12%	8%	6%	8%	N/A	N/A	4%	5%	5%	6%	6%	4%	3%	5%	N/A	N/A
Deregulation	6%	9%	7%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	5%	6%	5%	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Ageing population	14%	13%	11%	12%	11%	13%	12%	12%	15%	12%	25%	24%	25%	29%	23%	29%	28%	24%	25%	26%
Innovation policy / Barriers to innovation	9%	13%	11%	12%	11%	12%	13%	11%	17%	0%	10%	13%	13%	13%	12%	13%	15%	14%	17%	0%
International competitiveness	9%	13%	14%	12%	11%	11%	11%	11%	12%	20%	16%	18%	23%	20%	18%	18%	18%	21%	21%	27%
Regulation of Artificial Intelligence (AI)	13%	11%	9%	8%	10%	3%	N/A	N/A	N/A	N/A	12%	10%	9%	9%	11%	9%	N/A	N/A	N/A	N/A
Infrastructure	7%	9%	9%	8%	9%	10%	10%	10%	14%	15%	12%	12%	13%	13%	13%	15%	14%	14%	16%	18%
Federal budget position	22%	15%	12%	12%	7%	10%	12%	11%	10%	14%	18%	16%	12%	11%	8%	12%	16%	16%	15%	18%
Indigenous reconciliation	3%	3%	3%	4%	6%	11%	14%	9%	N/A	N/A	3%	4%	6%	6%	7%	8%	9%	10%	N/A	N/A
Australia-China relationship	3%	5%	6%	5%	6%	8%	12%	11%	18%	0%	4%	7%	6%	6%	7%	7%	9%	11%	14%	0%
Other	1%	2%	2%	2%	2%	1%	2%	1%	2%	0%	1%	1%	1%	1%	1%	1%	1%	1%	1%	0%

Source: Roy Morgan AICD Director Sentiment Index Survey 1st Half 2026.

Base: AICD Directors 1st Half 2026 18+ Base n=828. NSW n=263, VIC n=211, QLD n=150, SA n=51, WA n=78, TAS n=18*, ACT n=28*, NT n=9*. Base: AICD Directors 2nd Half 2025 18+ Base n=1,072. Base: AICD Directors 1st Half 2025 18+ Base n=1,127; Base: AICD Directors 2nd Half 2024 18+ Base n=1,309; Base: AICD Directors 1st Half 2024 18+; n=1,087; Base: AICD Directors 2nd Half 2023 n=1,352; Base: AICD Directors 1st Half 2023 18+; n=1,324; Base: AICD Directors 2nd Half 2022 n=1,475; Base: AICD Directors 1st Half 2022 n=1,737; Base: AICD Directors 2nd Half 2021 n=1,645. Total mentions = Percentage of respondents who nominated this as a top 3 issue.

Amendments to list may impact comparability with previous results.

Strengthening society through world class governance

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